

Amended & corrected

No. 10.

[ISSUED SATURDAY, 17TH APRIL, 1920.

328.94

Au7pa1



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

CONTENTS.

	PAGE		PAGE
SENATE, 14 APRIL.		Leave of Absence 1163	
Papers	1093	Australian Imperial Force Canteens Funds Bill.—	
Visit of His Royal Highness the Prince of Wales ..	1099	Second Reading 1163	
Alleged Distress Amongst Australian Soldiers in		War Gratuity Bill.—Second Reading 1170	
London	1099	HOUSE OF REPRESENTATIVES, 15 APRIL.	
War Gratuity Bill	1100	Supply of Coal 1215	
Adjournment (Formal).—The Wool Position : Con-		Secret Service Organization 1215	
trol of Sales : Wool-Tops Agreement	1100	Australian War Service Medal 1216	
Australian Imperial Force Canteens Funds Bill ..	1115	Control of Profiteering 1216	
HOUSE OF REPRESENTATIVES, 14 APRIL.		Sydney Water-Front Bureaux System 1216	
New South Wales Post-Offices	1115	League of Nations : Meetings of Executive 1216	
Reception of the Prince of Wales	1115	Further Aviation Grants 1216	
Questions Without Notice	1115	Closing of Country Post-offices 1217	
Australian Troops in London	1116	Foreign Literature : Embargo 1217	
North-South Railway	1116	Chemists on Service : Badge 1217	
Rumoured Resignation of Prime Minister	1116	Permanent Forces : Pay 1217	
Inter-State Shipping : Transport of Fodder ..	1116	Overseas Mail Service 1217	
Commonwealth Note Issue	1116	Cost of Living : Profiteering 1218	
Papers	1117	Country Telephones 1218	
Tariff : Increased Charge Upon Stocks	1117	Internees in Australia 1218	
Gunner Yates : Active Service Record	1117	Nickel Coinage 1218	
Anzac Tyed	1117	Commonwealth Shipping : Sale of Vessels 1218	
Federal Capital : Commissioner Blacket's Findings	1117	Oil in Australia : Subsidy to Prospectors 1219	
District Commandant, Western Australia	1118	Inventor of the Tank 1219	
War Service Homes : Miners' Homestead Leases ..	1118	Wool Clip : Agreement 1219	
Manufacture of Cotton Hose	1118	Public Servants on Active Service.—Accumulated	
Sugar : Imports and Exports	1119	Leave : Pay 1219	
Australian Soldiers' Repatriation Bill.—Second		Australian Overseas and Inter-State Sea Carriage ..	
Reading	1119	Inspection of Produce 1224	
Budget (1919-20)	1129	Personal Explanation : Supply of Yarn 1233	
SENATE, 15 APRIL.		Amendment of the Constitution : Election of Con-	
Paper	1162	stitutional Convention 1233	
Compensation on Death of Soldiers	1162	Australian Soldiers' Repatriation Bill:—Second	
Expenditure on Public Works	1163	Reading 1247	
Tasmanian Mail Contract : Fares and Freights ..	1163	Paper 1263	
		Adjournment 1263	

Exchange Duplicate, L. G.

PRICE, including Postage, 2s. 6d. per annum, or 2d. per number. Subscriptions should be sent to the Government Printer, Melbourne.

Dup.
U. of C.
Oh.

EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy .. .. .	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
Treasurer .. .. .	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
Minister for Defence .. .. .	..	The Right Honorable William Alexander Watt, P.C. (27th March, 1918).
Minister for Repatriation .. ..	..	The Honorable George Foster Pearce.
Minister for Works and Railways	..	The Honorable Edward Davis Millen.
		The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
Minister for Home and Territories	..	The Honorable Littleton Ernest Groom (27th March, 1918).
		The Honorable Patrick McMahon Glynn, K.C. †††
		<i>Succeeded by</i>
Minister for Trade and Customs	..	The Honorable Alexander Poynton (4th February, 1920).
		The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
Postmaster-General .. .. .	..	The Honorable Walter Massy Greene (17th January, 1919).
		The Honorable William Webster. †††
		<i>Succeeded by</i>
Vice-President of the Executive Council	..	The Honorable George Henry Wise (4th February, 1920).
		The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
Honorary Minister .. .. .	..	The Honorable Edward John Russell (27th March, 1918).
		The Honorable Edward John Russell.
Honorary Minister .. .. .	..	Appointed Vice-President of the Executive Council, 27th March, 1918.
		The Honorable Alexander Poynton.
Honorary Minister .. .. .	..	Appointed Minister for Home and Territories, 4th February, 1920.
		The Honorable George Henry Wise.
Honorary Minister .. .. .	..	Appointed Postmaster-General, 4th February, 1920.
		The Honorable Walter Massy Greene.
Honorary Minister .. .. .	..	Appointed Minister for Trade and Customs, 17th January, 1919.*
		The Honorable Richard Beaumont Orchard**
Honorary Minister .. .. .	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., O.B., V.D. ††
Honorary Minister .. .. .	..	The Honorable William Henry Laird Smith.††

* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—** Resigned office 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.

Senators.

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator John Wallace Shannon.

†Bakhap, Thomas Jerome Kingston (T.)	Lynch, Hon. Patrick Joseph (W.A.)
Barker, Stephen (V.)	Maughan, William John Ryott (Q.)
Barnes, John (V.)	†McDougall, Allan (N.S.W.)
Bolton, William Kinsey (V.)	Millen, Hon. Edward Davis (N.S.W.)
†Buzacott, Richard (W.A.)	†Mulcahy, Hon. Edward (T.)
Crawford, Thomas William (Q.)	Needham, Edward (W.A.)
De Largie, Hon. Hugh (W.A.)	†Newland, John (S.A.)
Earle, Hon. John (T.)	O'Keefe, Hon. David John (T.)
Fairbairn, George (V.)	O'Loughlin, Hon. James Vincent,
Ferrieks, Myles Aloysius (Q.)	V.D. (S.A.)
Foll, Hattil Spencer (Q.)	Pearce, Hon. George Foster (W.A.)
Gardiner, Hon. Albert (N.S.W.)	Plain, William (V.)
Givens, Hon. Thomas (Q.)	Pratten, Herbert Edward (N.S.W.)
Grant, John (N.S.W.)	Reid, Matthew (Q.)
Guthrie, Robert Storrie (S.A.)	Rowell, James, C.B. (S.A.)
Guy, James (T.)	Russell, Hon. Edward John (V.)
Henderson, George (W.A.)	Senior, William (S.A.)
Keating, Hon. John Henry (T.)	Shannon, John Wallace (S.A.)
*Long, Hon. James Joseph (T.)	Thomas, Hon. Josiah (N.S.W.)

1. Appointed Temporary Chairman of Committees, 26th February, 1920.—* Resignation reported, 20th December, 1918.

† Appointed by State Parliament, 15th January, 1919.— Sworn 26th June, 1919, and elected to fill vacancy, 13th December, 1919.

Mr. GROOM.—The honorable member's argument might just as well have been. The honorable member preferred to address it to the House, and I am following his example.

Mr. RYAN.—If the Chairman of Committees gives a decision on the lines which the honorable member suggests, then I have some way of getting to the Speaker. There must be some way.

Mr. GROOM.—I do not want to refer to what took place in Committee, but the matter has been fully considered, the Bill has been before the House for a considerable time, the House knows its mind on the subject, and in the circumstances the House should decide that the recommittal should not take place.

Question—That the Bill be recommitted (Mr. RYAN's motion)—put. The House divided.

Ayes	15
Noes	32
Majority	17

AYES.

Blakeley, A.	Maloney, Dr.
Considine, M. P.	Moloney, Parker
Cunningham, L. L.	Nicholls, S. R.
Fenton, J. E.	Ryan, T. J.
Gabb, J. M.	Tudor, F. G.
Lavelle, T. J.	Tellers:
Lazzarini, H. P.	Catts, J. H.
Makin, N. J. O.	Page, James

NOES.

Bayley, J. G.	Hughes, W. M.
Bell, G. J.	Jowett, E.
Blundell, R. P.	Kerby, E. T. J.
Bowden, E. K.	Mackay, G. H.
Bruce, S. M.	Marks, W. M.
Cameron, D. C.	Marr, C. W. C.
Chanter, J. M.	Maxwell, G. A.
Cook, Sir Joseph	Poynton, A.
Cook, Robert	Prowse, J. H.
Corser, E. B. C.	Rodgers, A. S.
Fleming, W. M.	Ryrie, Sir Granville
Foster, Richard	Smith, J. I. I.
Fowler, J. M.	Wise, G. H.
Francis, F. H.	Tellers:
Gibson, W. G.	Burchell, R. J.
Greene, W. M.	Story, W. H.
Groom, L. E.	

PAIRS.

Anstey, F.	Watt, W. A.
Charlton, M.	Livingston, J.
McDonald, C.	Jackson, D. S.
Mahon, H.	Chapman, Austin
Mahony, W. G.	Lamond, Hector
Watkins, D.	Atkinson, L.
Mathews, J.	Bamford, F. W.

Question so resolved in the negative.
Report adopted.

THIRD READING.

Motion (by Mr. HUGHES) proposed—
That this Bill be now read a third time.

Mr. TUDOR (Yarra) [6.6 a.m.].—I regret exceedingly that the Bill which is leaving the House is a mere skeleton, whose frame will have to be filled in with regulations. I hope, nevertheless, that it may accomplish the desired object. I regret also that the soldiers will not receive the gratuity in cash, because the money would have had to be found had the war continued. This will stand to our everlasting disgrace. I trust that the Ministry will make arrangements elsewhere to provide that those taking bonds from soldiers will not enjoy a remission of taxation upon the interest from them. We all desire that the soldiers shall draw this interest free of taxation, but it is not fair that employers or financial institutions which give cash in exchange for bonds should profit through the remission of taxation on the interest. If the Government can tighten up the Bill in this respect in another place, their action will, I think, meet with general approval.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [6.8 a.m.].—There is just this to be said on the subject of interest: The banks are advancing to us £6,000,000 at the rate of 5½ per cent., although this money, if otherwise employed, could earn 7 per cent. or 8 per cent.

Mr. FENTON (Maribyrnong) [6.9 a.m.].—I am surprised that the Minister for the Navy has introduced a controversial subject at this late hour of the sitting. If we allow the interest earned by gratuity bonds held by banks and big firms to escape taxation, we shall be making an invidious distinction between one set of citizens and another. The House has already affirmed the righteous principle that the interest on money lent to the Government should be subject to income taxation. By remitting the income taxation on the interest earned by the war gratuity bonds held by others than soldiers, the Government will be losing revenue which the country greatly needs. I hope, therefore, that, in another place, an amendment will be moved on behalf of the Government which will impose taxation on the interest from these

bonds when they are held by others than soldiers.

Dr. MALONEY (Melbourne) [6.11 a.m.].—As an old banker, I feel sure that there will be an accumulation of these bonds in our financial institutions. The remission of income taxation upon the interest of bonds in the hands of the soldiers amounts to nothing at all, because the tax paid in any individual case would be so very small. The big employers and financial institutions, however, have to pay taxation at a much higher rate per £1, and by letting them draw the interest on the gratuity bonds free of taxation, the Government will be losing a very large amount of revenue. The plea has been advanced that the banks have acted nobly in this matter. I will allow that they have, though it must be recognised that had they not come to the assistance of the Government, our credit might have collapsed, and in that case they would have suffered. I remember the crash that followed upon the boom in Victoria. Had there then been in existence an institution like the Commonwealth Bank, there would not have been that disaster. When that happened, houses which had been rented at £1 a week did not bring in more than 1s. a week. I ask the Government to amend the Bill in another place, so that interest drawn on these war gratuity bonds, when held by employers or financial institutions, may be subject to income taxation. It is to be remembered that these bonds will form a gilt-edged security. Five and a quarter per cent. is a high rate of interest even in these times, for a security guaranteed not only by a Government, but by the only Government in the world that is backed up by the possession of a continent. No institution or capitalist should benefit by accumulating these bonds, which are the gift of the nation to men who risked their lives in its service.

Question resolved in the affirmative.

Bill read a third time.

PAPER.

The following paper was presented:—
Commercial Activities Act—Sugar Regulations—Statutory Rules 1920, No. 54.

SPECIAL ADJOURNMENT.

Motion (by Mr. HUGHES) agreed to—
That the House, at its rising, adjourn until Wednesday, 14th April.

ADJOURNMENT.

Motion (by Mr. HUGHES) proposed—
That the House do now adjourn.

Mr. J. H. CATTS (Cook) [6.14 a.m.].—I should like honorable members who are interested in this matter to look up *Hansard* of the 1st August, 1907, where they will find a decision by Mr. Speaker Holder regarding the alteration of the destination of a vote.

Mr. SPEAKER (Hon. W. Elliot Johnson).—The honorable member may not, on the motion for the adjournment, discuss a matter which has been the subject of debate, and has been decided by the House.

Mr. J. H. CATTS.—It will do honorable members good to read the ruling, anyhow.

Question resolved in the affirmative.

House adjourned at 6.15 a.m. (Thursday).

Senate.

Wednesday, 14 April, 1920.

The **PRESIDENT** (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

PAPERS.

The following papers were presented:—

Commercial Activities Act—Regulations—
Statutory Rules 1920, No. 54.

Defence Act—Regulations amended—Statutory Rules 1920, No. 45.

Elections and Referendums—Statistical Returns in relation to the Senate Election, 1919; the General Elections for the House of Representatives, 1919; and the submission to the Electors of Proposed Laws for the alteration of the Constitution, entitled (1) Constitution Alteration (Legislative Powers) 1919; (2) Constitution Alteration (Nationalization of Monopolies) 1919; together with Summaries of Elections and Referendums, 1903-1919.

Elections, 1919—Statistical Returns showing the Voting within such Subdivision in relation to the Senate Election, 1919, and the General Elections for the House of Representatives, 1919, viz.:—

New South Wales.

Queensland.

South Australia.

Tasmania.

Victoria.

Western Australia.

Income Tax—Royal Commission—Minutes of Evidence with Appendices—
Sixth Instalment.
Seventh Instalment.

Papua—Ordinances of 1919—

No. 2—Roman Catholic Mission Property.
No. 3—War Precautions (Validating).
No. 4—Prisons.
No. 6—Customs Tariff.

Public Service Act—

Appointments and Promotions—

Prime Minister's Department—W. E. Dunk, N. J. O'Heare.
Department of the Treasury—G. G. M. Pain.

Regulations amended—Statutory Rules 1920, No. 43.

War Precautions Act—Regulations amended—Statutory Rules 1920, No. 2—No. 52.

War Service Homes Act—Land acquired for War Service Homes purposes at—
Newcastle, New South Wales,
Spotswood, Victoria.

VISIT OF HIS ROYAL HIGHNESS THE PRINCE OF WALES.

Senator GARDINER.—I ask the Minister in charge of Government business in the Senate, referring to the proposed visit of His Royal Highness the Prince of Wales, whether in view of the fact that there is a Lord Mayor representing Labour presiding over the Municipal Council of Sydney and a Labour Government in office in New South Wales, and that the National party and the National press for some years have continuously spread the report that Labour representatives are disloyalists, pro-Germans, Sinn Feiners, and I.W.W. men, will the Government telegraph to their Majesties the Royal parents of the Prince that such statements have no truth whatever in them, and were merely used by the Nationalist party as dope for their silly followers?

The PRESIDENT (Senator the Hon. T. Givens).—The honorable senator should not debate the matter.

Senator GARDINER.—And will the Government assure them, in order to relieve their mental anxiety, if they have believed these statements, that the Prince of Wales is assured of as loyal a welcome at the hands of Labour in New South Wales as if any other Government were in office?

Senator PEARCE.—I am sure that the honorable senator will get more satisfaction out of putting his question than

he would from any answer I could give, and I therefore do not propose to say anything further.

ALLEGED DISTRESS AMONGST AUSTRALIAN SOLDIERS IN LONDON.

Senator KEATING.—I ask the Minister for Defence, regarding certain cables published in the Australian metropolitan dailies of the 12th inst. concerning the alleged distress of a number of Australian soldiers in London awaiting their return to Australia and the difficulties of meeting their distress, has he received, beyond what has been published in the press, any direct representation by cable or otherwise from Commonwealth authorities or others in London dealing with the matter, and, if so, what is the nature of the alleged distress, and what action has been taken to relieve it?

Senator PEARCE.—The honorable senator is slightly inaccurate. The cable to which he refers did not say that the distress was amongst Australian soldiers, but amongst soldiers who had taken their discharge at their own request in England. They consequently come more properly under the Minister for Repatriation (Senator Millen), and he has cabled to the High Commissioner to ascertain the facts.

Senator KEATING.—It was said that they were awaiting transport to Australia.

Senator PEARCE.—They were not a charge on the Commonwealth Government at all, because every Australian soldier who, at his own request, took his discharge in the United Kingdom signed a statement that he thereby relieved the Commonwealth Government of any financial obligation whatsoever on his account. He took his discharge with that knowledge.

Senator EARLE.—He was setting out for himself.

Senator PEARCE.—That is so. The alleged distress is said to exist amongst those discharged men, to whom the Commonwealth Government are under no obligation whatsoever, but having seen the statement referred to, the Minister for Repatriation caused a cable to be sent to the High Commissioner to inquire as to the truth or otherwise of the statement.

So far no reply has been received, and no report has been received from any Commonwealth officer that distress does exist amongst Australians in London.

WAR GRATUITY BILL.

Bill received from House of Representatives, and (on motion by Senator PEARCE) read a first time.

ADJOURNMENT (Formal).

THE WOOL POSITION: CONTROL OF SALES: WOOL-TOPS AGREEMENT.

The PRESIDENT (Senator the Hon. T. Givens).—I have received from Senator Pratten an intimation that he proposes to move to-day that the Senate adjourn until 10 a.m. to-morrow, for the purpose of discussing a matter of urgent public importance, namely, "the wool position."

Senator PRATTEN (New South Wales) [3.10].—I move—

That the Senate, at its rising, adjourn until 10 a.m. to-morrow.

Four honorable senators having risen in their places in support of the motion,

Senator PRATTEN.—Crossing the border this morning I noticed in an edition of one of the country dailies of New South Wales a cablegram that had reached it since yesterday, headed "Australian Wool." The sub-heading was "Our next clip wasted." The cable was dated London, 13th April, and reads: "The *Daily Mail* understands that the British Government is negotiating with the Australian Government for the pre-emption of the wool clip." No such cable appears in the Melbourne dailies this morning, and the one I have quoted purports to be a Renter's message. Perhaps the printer of that border daily builded better than he knew when he suggested that if the wool-growers of Australia pre-empted the next wool clip, the clip would be wasted. I propose setting out, so far as I am able, the wool position of the Commonwealth as I see it to-day. I intend examining the administration of the Central Wool Committee, making some reference to the wool tops agreement, and attempting to analyze the position in an endeavour to ascertain what is the amount of money due to the wool-growers of Australia in the way of profits. I propose having

something to say on what should be done in the interests of this vast industry, and it may be that the importance of the topic may compel me to throw myself upon the indulgence of the Senate in regard to the time I am likely to occupy, as I am afraid I shall not be able to complete my remarks in the period of half-an-hour allowed by the Standing Orders. It is a matter of common knowledge and agreement that wool is largely the basis of the finances of the Commonwealth. It is our oldest and greatest industry and has a direct bearing upon the comfort and prosperity of every citizen. My object in initiating a discussion upon this overwhelmingly important matter to the wool-growers and every one of us is that the very best in the interest of the country at large should be done to aid, guide, and help the wool industry. It is certain that many members of this Parliament could explain the technicalities of this complex industry better than I, who have no financial or other interest in the matter, but I am hopeful of adding something to the common knowledge whereby those interested may be helped to a decision in their own interests and those of the country.

The real control of wool started when the prohibition of its export without the consent in writing of the Minister for Trade and Customs was gazetted under the Customs Act on 23rd October, 1914, by Mr. Tudor, the then Minister for Trade and Customs. A similar export prohibition was issued by the Minister with regard to sheepskins on 28th October of the same year. The regulations of the Central Wool Committee did not come into force until 23rd November, 1916, and during the hiatus in the wool trade between the date of the prohibition of the export without the consent of the Minister and the issue of regulations under which the Central Wool Committee exercised full control, trade went on through its normal channels, export being allowed only to England, France, Italy, and Japan. During his visit to England in 1916 the Prime Minister (Mr. Hughes) approached the Imperial authorities regarding the matter, and at a big conference of wool-growers, held in Melbourne towards the end of 1916, the Prime Minister, on his return, was authorized to sell the whole of the Australian clip straight out to the British Government at 1s. 3d.

per lb. flat rate. The first official cable, I understand, in connexion with this matter was sent by the Prime Minister on the 14th November, 1916, and, so far as I can understand, those who had attended the conference—consisting, I am told, almost entirely of producers—were anxious for their offer of 1s. 3d. to be accepted. Ultimately the sale of the remainder of the 1916-17 clip at 1s. 3½d. per lb. was made, being ½d. more than the growers themselves offered to sell for. This rate at the time, however, was a slight reduction on the prices ruling towards the latter part of the year 1916, but was a considerable increase, about 55 per cent., on the price of pre-war years. It was owing particularly to the knowledge obtained when in London of the world's wool shortage that the Prime Minister sensed an advancing market, and on the 30th November, 1916, after his return to Australia made a further condition with the British Government, on his own initiative, that, in addition to getting 1s. 3½d. per lb. flat rate, the wool-growers of Australia should get half the profits made by the British Government in selling the wool to the world's consumers at the world's parity, the reservation by the British authorities being that all wool required for military and naval purposes could be sold at the flat rate; that is, at cost price plus expenses, but without profit. This reservation included wool required for the Allied as well as the British Forces. So far as I know, the sales of the 1917-18, 1918-19, and 1919-20 clips were on the same basis, so that we can speak of all the Australian wool sales that have been made to the British Government up to now as being similar to one another, and on the same terms and conditions.

It is to the Prime Minister alone that we owe the fact of getting ½d. per lb. more on the four wool clips sold. This, in itself, amounts to a sum of, approximately, £5,000,000. It is also due to his efforts that we get the extra profit which will eventually come to Australia on the world's prices. It was entirely owing to the persistence of the Prime Minister and his skilful handling of the position that the bargain was made, and that the further benefits which the wool-growers will get over and above the price they asked have been obtained.

Of all the problems that revolve round this complicated and complex wool position, there is none that has so far raised so much controversy, unrest, ill-feeling, and trouble as the reservation, in the sale to the British Government, of wool for Australian industries at the flat rate. In order to make the position as clear as possible, I desire to quote from *Hansard* the words uttered by the Prime Minister in another place on the 6th December, 1916. On this point he said—

All interests involved, including those of the manufacturer, scourer, and fellmonger, have been taken into consideration and safeguarded. It is the intention of the Government to retain from the clip a quantity of wool sufficient for the purposes of the Commonwealth, and also to send overseas as much scoured wool as possible, in order that employment may be given to our own men.

On 14th December he said—

The idea is to have the treatment of the wool as far as possible to its ultimate form carried out in Australia.

There is no doubt at all that in the first sale to the British Government it was clearly understood that they purchased the whole of our wool, less Commonwealth manufacturers' requirements, or, to put it in another way, there was a clear understanding that sufficient wool should be reserved to keep all the Commonwealth industries allied with wool working full time. This basis of sale is indorsed in the first report of the Central Wool Committee, printed on 25th July, 1917, from which I take the following extracts:—

The local requirements of woollen manufacturers amounted to 10,207,834 lbs.

The fellmongering and scouring industries have been carefully protected, and all well-equipped works throughout the Commonwealth have been fully engaged. At present the scouring and fellmongering capacity in certain wool centres is far below requirements, and much larger quantities of wool would be earmarked for local scouring if the plants were available.

The manufacture of wool tops for export is under the control of the Commonwealth Central Wool Committee. The raw wool used in this industry is paid for on the flat-rate basis of 15½d. per lb, and "tops" are sold at prices fixed by the Army Contracts Wool Committee, London. Agreements exist between the Commonwealth Government and the manufacturing companies whereby the profits are regulated, and according to definite terms set out in the agreement, a certain percentage is returned to the Commonwealth Government.

Culled from another part of the report are the words—

Particulars of wool actually purchased by the British Government after meeting requirements of Commonwealth manufacture.

Another sentence is—

Particulars of wool purchased by Commonwealth manufacturers.

Senator Russell further defined the position by definitely stating on 27th August, 1919, that wool required for the manufacture of wool-tops in Australia for export was regarded as included in local requirements, and that the arrangement made with the British Government would not affect the manufacture of wool-tops for export.

All the evidence, therefore, is that it was clearly intended that Australian manufacturers should get all the wool they needed in their business at the flat rate both for local consumption and export, and that the Commonwealth Government alone should profit by the world's parity on Australian manufactures sold for export, and the Central Wool Committee itself, including the growers' representatives on it, established that principle.

The Central Wool Committee, together with the State Wool Committees operating in each separate State, consist of gentlemen with a thorough knowledge of the wool trade from their respective stand-points and interests; but, I have never been able to satisfy myself as to what is their exact *locus standi*.

Senator FAIRBAIRN. — Nor anybody else.

Senator. PRATTEN.—I am glad to hear that interjection, and propose to make a little analysis to find out where we are. I do not know whether they regard themselves as acting only for the British Government, and entirely in their interests as purchasers of the surplus Australian wool clip, or whether they regard themselves also as trustees for the Australian wool-growers.

Let us analyze what they say about their own duties. In their report of 1918 they state that at the commencement of that season they decided that only shorn wool should participate in any distribution of moneys over the flat rate of 15½d. per lb., thereby encouraging the export of wool on skins to the British Govern-

ment to the prejudice and loss of the producer and scourer. They further stated—

It is contrary to the instructions of the Director of Raw Materials, London, that any agitation to increase the number of appraising centres should continue.

Honorable senators will remember that that refers to the objections raised in this Chamber to important appraising centres, such as Newcastle, being shut out of the scheme. The Central Wool Committee, apparently, tell us that that was done on instructions from London. In another paragraph they stated—

Wool tops are sold at a price fixed by the Army Contracts Wool Committee, London.

In another part they said—

The fellmongering and scouring industries have been carefully protected during the term under review consistent with the instructions from the Director of Raw Materials.

As trustees of Imperial Government wool, we must adhere strictly to the requirements and directions of those controlling the British wool scheme.

The 1918-19 report contained the statement—

The privilege of purchasing wool at appraised prices was again extended to woollen manufacturers.

I wish emphatically to assert that the sale of wool to local manufacturers is a right, not a privilege, and has nothing to do with the British Government purchase. I regard with some trepidation the administration of the wool scheme in such a way as to make it now appear that the British Government own everything and that the Director-General of Raw Materials should lay down the policy upon which our secondary industries are to be supplied.

Senator BAKHAP.—The honorable senator is referring to the Imperial Director-General of Raw Materials?

Senator PRATTEN.—Yes. Judged by the paragraphs I have read from the reports, the tendency of recent administration is to carry out the instructions of the Director-General of Raw Materials, London, with regard to the whole of the wools produced in Australia. Sir Arthur Goldfinch, the Director-General of Raw Materials in London, is the chairman of the British Wool Council, which consists of representatives of the wool industry of Britain and includes a representation of labour. The Council was formed for

the purpose of advising the British Government on all wool matters, and I understand that much, if not the preponderating, interest, upon the Council, is represented by Yorkshire manufacturers. There were, of course, many hundreds of sub-committees formed in England during the stress of war.

Senator BAKHAP.—But the textile industry in Great Britain is principally located in Yorkshire, is it not?

Senator PRATTEN.—Yes. When we speak of the British Government in connexion with wool matters it must always be remembered that it is not Mr. Lloyd George, or Lord Milner, or Mr. Balfour, or Mr. Amery, or any of the other Imperial statesmen that we are referring to, but that the wool control in England consists of representatives of the woollen and allied industries there, and is practically a commercial advisory body whose chairman is Sir Arthur Goldfinch, who is officially designated Director-General of Raw Materials. Apparently, then, the administration of matters concerning the growers of wool has been guided from Great Britain, necessarily so, I admit, if the world's parity is to be secured. But in view of the *personnel* of the British Wool Council, I assure honorable senators that all the evidence is that Yorkshire interests are not lost sight of. In fact the immensity of the fortunes which have recently been made by Yorkshire wool-spinners is one of the commercial scandals that is now troubling the British public.

Clearly the arrangements for half the profits upon all wool sold for civilian purposes made the Australian growers partners with the British Government in its sale. I think the growers have a right to complain that they have been given no indication of what is Australia's share in the enormous prices which have been obtained for wool in the world's market during the last year or two. They may justly complain that no accounts have been rendered of their half-share of the profits made by the British Government on the world's parity. Neither have they, nor has any of us, even an approximate official estimate of what that share is, although considerably more than half of the whole four clips sold to Britain has been re-sold. Although nominally the Commonwealth Government must be responsible for the administration of the Wool Pool, the Prime

Minister must not be charged—particularly as he was absent for such a long period at Versailles—with that responsibility. Nor can the Government be charged with any faults of administration. These must be solely the responsibility of the Central Wool Committee, as, up to a point, the slightest wish of that body has been indorsed by the Government as a whole. Had this Committee been given less responsibility on questions of policy, and had its activities been confined purely to matters of administration, some of the troubles with which we are faced would not have arisen.

A good many complaints have been made of the autocratic, tyrannical, and arbitrary action of the chairman of the Central Wool Committee in connexion with various interests here. In my opinion injustices have been inflicted upon certain interests in connexion with the administration of the Wool Pool. Country scouring has been gravely prejudiced. The tops industry has not been fairly treated, and scourers and fellmongers have resented so much the injustices under which they have suffered that they have taken the matter to the Law Courts.

It is most reprehensible that some time ago a secret attempt was made, a secret campaign entered upon by the Central Wool Committee, or somebody connected with it, to extend the existing wool scheme for a further period of five years till 30th June, 1925. This campaign was initiated, or, at any rate, was vigorously prosecuted, by the Chairman of the Central Wool Committee. Quoting from the London *Weekly Times* of 1st August last, Mr. Andrew Williamson, of the Australian Estates and Mortgage Company, London, is reported to have said that—

The chairman had been entrusted by the Government with very wide and almost autocratic powers, including the censorship of cables, and that there were at that time indications that whatever might be the view and intentions of the Cabinet—

that is, the Australian Cabinet—

the chairman of the Central Wool Committee was determined to carry through his scheme of extension of control till 30th June, 1925, and that he was vigorously and secretly at work to effect his object.

Mr. Williamson went on to say—

As in duty bound, our manager in Australia cabled to us in regard to this matter so vitally

affecting our post-war interests, and advised us as to the best way, in his judgment, to safeguard those interests and those of our constituents. Though this dealt with future arrangements outside of the war altogether, and outside of the official sphere of the chairman of the Central Wool Committee, our manager's cables were not only censored, but were held back altogether, and communication with his principals—the owners and growers of the wool—was deliberately blocked by a flagrant abuse of bureaucratic power conferred for war-time purposes.

This reference is to Mr. Smith, the manager of the company in Melbourne, who was also threatened, I understand, by the Chairman of the Central Wool Committee with a fine of £1,000 if he attempted any criticism of his (the chairman's) action.

Senator BAKHAP.—Has any reply ever been made to the allegation which the honorable senator has just quoted?

Senator PRATTEN.—Not to my knowledge. In the opinion of many who are best able to judge, a further five years' control of wool upon the present terms would be a tragic blunder for Australia, and could have no other effect than that of protecting for five years the trade interests which are being conserved by the Pool, and swinging the whole of our wool interests into the hands of the present wool bureaucracy.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator's time has expired.

Extension of time granted, on motion by Senator Pearce.

Senator PRATTEN.—I thank honorable senators for the extension of time. This is a very important topic, and I hope, later, to add information with regard to the pounds, shillings, and pence view of the position. I was saying that, in the opinion of many of those best able to judge, a further five years' control of wool on the present terms would be a blunder from the Australian stand-point, and could have no other effect than that of protecting for five years the trade interests that are being served by the Pool. I do not think it would, or could, safeguard Australian financial wool interests as efficiently and effectively as re-establishing the wool trade here would do—that is, re-establishing Sydney and Melbourne in the proud position of being two of the principal wool distributing centres of the world.

There has been admittedly a tremendous amount of profiteering on Australian wool in England, and in view of the published statements I am surprised that the keen men on the Central Wool Committee have not insisted upon being supplied with information as to what share of this is coming to the part owners of the wool in Australia.

Senator BAKHAP. — I understand the Treasurer "has gone Home to attend to that matter.

Senator PRATTEN.—I will come to that. Irrefutable evidence has accumulated that profiteering during the war was winked at by the British Government, as it was one of the many avenues for raising the large amounts required to carry on the war. Virtually, while the British war-time profits tax (the provisions of which since the war have been eased, but not entirely abolished), existed, it resolved itself into British ship-owners and manufacturers constituting themselves profiteers throughout the world at a commission of 20 per cent. to themselves and 80 per cent. to the British Government.

While not desiring to unduly stress my complaints in connexion with the administration of the Pool from the stand-point of the growers or the subsidiary industries, it is clear that there is a great amount of justification for keen criticism seeing that the Treasurer (Mr. Watt), now on his way to England, has publicly stated that one of his very important duties will be to attempt to unravel the wool tangle. This is a pregnant admission that wool interests from the stand-point of Australia have got into a tangle, and responsibility for this must be taken by the Central Wool Committee. It is a matter of regret that the sale of the wool of the current clip was made at the old prices and on the old conditions, and, as things have turned out, the bad judgment of those who advocated it has been costly to the producer. However, to think what might have been is futile. We can all be wise after the event, but we cannot afford to make further mistakes.

Suggestions have been made and a good deal of propaganda work has been indulged in in order, by clever publicity, to bring the Australian wool-growers into the frame of mind that it will be necessary, in their own interests,

to continue the Wool Pool in some way, and to control exports, sales, and shipments. A Wool Council has been formed here. It is a voluntary body, consisting of half brokers and half growers, and the chairman is Mr. Murphy. I understand he does not grow any wool or own any wool. He is a retired squatter, and is said to be *persona grata* to the present Central Wool Committee or some members of it.

The suggestion emanating from this propaganda work, and which has been scattered broadcast all over Australia, is that future control is to be on the lines of sending all wool to brokers to be valued by experts. In other words, the growers of the wool must hand their property over to the broker, and a preliminary valuation will be made by the experts of the Pool. It will then be offered at auction twice, and if not sold at the valuation placed upon it, the grower may get the consent of the Wool Pool, or Committee, or Council, or control, and ship it abroad. This consent may, however, be arbitrarily withheld. I would point out that this brief outline of the proposed scheme still inflicts upon the wool-growers of Australia bureaucratic domination. It has been most strongly objected to by some of the graziers associations in my own State, and producers, in effect, will practically lose control of their own property if this scheme is carried out.

I understand that the proposal has been submitted to wool-growers, and that a ballot is now being taken, and will close on the 30th of this month; but the question of who controls the ballot, what the basis of the franchise is, and all other matters relating to this proposal to ascertain the real desire of the wool-growers of Australia is not generally known. The occasion may arise, however, later, when information on these points will be demanded. I should like now to read an extract from an article that appeared in *The Land* newspaper, published in Sydney, recently, as follows:—

A meeting of growers of the West Darling was held at Broken Hill last week. The report of a deputation which waited on the chairman of the Central Wool Committee was read, and after a long discussion the following resolution was adopted:—"That all members of the Pastoralists Association of West Darling pledge themselves to vote solidly for the formation of the Australian Wool Council, and to influence other wool-growers to use their best endeavours to bring

such council to a successful issue." Members expressed appreciation of the way the Central Wool Committee had handled matters in the past, but agreed to accept the advice of the chairman, Sir John Higgins, regarding the council.

Therefore I am justified in saying that the formation of the proposed Wool Council is supported by the Chairman of the Central Wool Committee, if it has not been initiated by him.

I understand in connexion with this so-called ballot amongst the wool-growers, that those in authority have refused to place any counter proposals before the growers. I merely mention that fact as fair comment, but I say that it would certainly be to the advantage of some wool-broking firms to see the wool controlled and a monopoly of wool selling established which would be confined to the existing houses, and with the exception, perhaps, of some of the co-operative companies, they would then speak as one as to just what they would charge the growers for the selling and handling of their wool and produce, but this position would be intolerable for wool-growers and the trade alike.

The three principal reasons given to the wool-growers of Australia as arguments for the necessity of further extending bureaucratic control are that there will be great difficulty about finance, troubles about shipping space, and that the sale of the next clip may compete with the balance on hand held and paid for by the British Government, with a consequent possible slump in prices.

With regard to the point of finance. Leading bankers in Australia do not consider there will be any difficulty in financing next season's clip if normal Australian wool business is re-established.

As to shipping, we know how rapidly ship-building is going on. Few people realize that the tonnage of the British merchant service has now overtaken the level at which it stood previous to the war. There is a large increase in tonnage over the pre-war totals in other countries, particularly in America, Japan, and Scandinavia, and seeing that the freight on Australian greasy wool, which went as high as 3½d. per lb. during the war, is now 1½d. per lb., or 303/- per ton—over double the price before the war—and that it is not likely that there will be much more than 1,000,000

bales of wool left on hand in Australia on 30th June next, and no wheat or tallow, it seems likely that ships will soon be looking for cargoes instead of cargoes looking for ships. It is more than likely that at the present rate of 18d. per lb., there will be no more difficulty in shipping from Australia to the world's centres the next wool clip than there was before the war. Senator Fairbairn, in a letter to the press, states that—

His information from England is that after the 30th September shipping space for wool will be open to Australian growers. There will be no danger of Government interference with private sales of growers' wool, and the British Government would co-operate with growers here regarding the separate selling of the new clip.

The portion of the clip sold to the British Government in 1916-17 amounted to 1,082,000 bales, of an appraised value of £22,150,000. In addition to the above, Australian manufacturers consumed wool to the value of £1,000,000. The next clip, 1917-18, was about 1,825,000 bales, of an appraised value of £39,500,000; Australian manufacturers again this season consuming a further £1,000,000 worth. In 1918-19 the British Government purchase amounted to nearly 1,920,000 bales, of a total appraised value of £42,500,000, Commonwealth manufacturers taking this year further wool to the value of £1,500,000. The total, therefore, of the portion of three clips sold to the British Government was about 4,827,000 bales, of an appraised value of about £105,000,000, or, say, an average of £22 per bale of 350 lbs. weight. The best judges I have been able to consult estimate that the portion of 1919-20 clip for sale abroad will be in the region of 1,600,000 bales, and, so far as I can ascertain, there will be of the four clips not much more than 1,000,000 bales left in Australia on the 30th June next.

Sir John Higgins said, as recently as the 24th of March, that transport arrangements are such that it would be practically impossible to ship the whole of the wool purchased by the Imperial Government this year. This opinion does not reflect the opinion of high shipping authorities, as, in addition to the list of steam-ship lines trading to and from Australia and the United Kingdom, now associated with Lord Inchcape or his group, the following are direct competitors for the Australian trade with one another as

Senator Pratten.

well as with the Inchcape group:—White Star Line, Aberdeen White Star Line, Holt's Blue Funnel Line, Ellerman-Bucknall Line, Clan Line, Scottish Shire, Commonwealth and Dominion Line, Cunard Line.

It seems, therefore, that a carry-over of, say, 1,000,000 bales on 1st of July next is not beyond the ability or the desire of so many competing steam-ship companies to lift at a very rapid rate, especially as very little other freight for the remainder of this year from Australia will be available. A weighty, and the only, argument in favour of the continuation of the wool control is that with regard to the carry-over wool stocks that will be in the hands of the British wool control. So far as I can ascertain, basing my calculations on the figures issued in an official cable message to the chairman of the Central Wool Committee regarding Australian wool stocks held by the British Government in the United Kingdom, Antwerp, and the United States of America, as well as those afloat and stocks here, there were 2,250,000 bales of Australian wool to be sold on 1st January last, plus the estimated quantity still to be appraised from 1st January of this year to 30th June next—say one-third of the clip, or 550,000 bales. There will be, therefore, a total of 2,800,000 bales of Australian wool to be sold as from 1st January last, and according to another estimate in connexion with the opening up of the Continental markets, 225,000 bales of the world's wool can be, with advantage, marketed in England per month. We can, therefore, reasonably assume that up to 1st November next—in a period of ten months—in view of the world's wool hunger, there could not be a carry-over of Australian wool of much more than 1,000,000 bales.

As a member of this Parliament I have nothing but kindly thoughts of the British people and the Imperial Government in connexion with the treatment meted out to Australia during war time. I believe that many of the big commercial deals that were made by the Home Government with Australia were not made with any ideas of obtaining profits from our producers, and the British Government in many ways showed a desire to help us during a time of stress and difficulty. These deals, however, have

turned out to be unexpectedly profitable to the Home Government and the British Treasury, and indications have appeared in the public press that those in authority there when the present wool control expires on 30th June next would favorably regard a policy, in connexion with stocks of wool held in Britain, of co-operation with Australian interests concerning the marketing and selling of our next clip, as they do not want or desire further wool control.

The Director-General of Raw Materials has expressed in no measured terms his strong desire to consider Australia regarding stocks of carry-over wool, in order that any arrangements entered into would not clash with the marketing of the 1920-21 Australian wool clip.

It should be remembered that this 1,000,000 bales, comprising the estimated carry-over of Australian wool on 1st November next referred to, will probably be at least half, if not two-thirds, merino, and of the cross-bred sorts a good deal is fine wool and particularly suitable for the Belgian and German markets, the latter of which is now beginning to absorb supplies.

I suggest, therefore, in view of Australian wool having been so very profitable to the British Government, and Australia and New Zealand being the only two wool-producing countries that have not obtained the world's parity for their producers, that there be no sales in Australia for the new clip until the first of November next, and that the British Government be asked to undertake to stop all sales in London of Australian wool from 1st November, 1920, to 1st May, 1921, allowing Australia to re-establish her trade and preponderating position in wool distribution without any clash in connexion with carry-over stocks of wool in the Motherland.

There must be a large reduction in the 1920-21 clip here owing to drought. New South Wales alone has lost from 25 per cent. to 35 per cent. of her sheep—in other words, considerably over 10,000,000 sheep out of the 40,000,000 in that State are gone. This means a reduction of one-eighth in the next Commonwealth clip. The Argentine flocks have been reduced by drought from 80,000,000 to 42,000,000, so that there

will be a little more than half the quantity of wool exported from that big wool-producing centre for the coming year.

Cotton, with which the world's coarse wools compete, is still worth in Liverpool to-day more than 2s. per lb. There are 4,000,000 bales, each 500 lbs., or 2,000,000,000 lbs. weight used in England every year; consequently, I feel sure that the great bulk of the evidence is that a free market will ultimately be much more profitable to the producer than a continuation of control which expires by effluxion of time on 30th June next.

The fact of the world's diminishing wool production must help to protect next season's market and safeguard Australian wool-growers against low prices for their produce. The maximum amount of money to the Commonwealth producers at a time it is so badly wanted could thereby be assured. Further advantages would clearly be, the probability of higher net prices to the grower; complete freedom for Australia of trade, with no intermediate profits, expenses, or interested controls; the lifting of bureaucratic domination, by which our wool-growers would have no partners, no outside vested interests or disabilities in connexion with their property which have so often worked against them, and the veil of mystery with which our wool operations for years has been shrouded would be lifted.

Senator BAKHAP.—What would be the negotiating authority at this end?

Senator PRATTEN.—The Commonwealth Government. Clever Yorkshiremen, who so often beat Australia, will have to deal with stronger sellers, and there will be no more transactions such as letting 450,000 bales of wool go at issue price with the perfectly correct and laudable idea of reducing the price of British tweeds, but which was ultimately engineered by Bradford manufacturers to their own advantage and sole profit. In addition to this, I understand that about 250,000 bales were also sold to our Allies, including the United States of America, at issue prices, for civilian purposes—a clear infraction of the honorable understanding made by the Prime Minister that our wool, excepting that required for British and Allied naval and military purposes, should be sold at world's prices, and that half the profits therefrom should go to Australian growers. If the control is

lifted, we shall have no more wool-top or wool-scourers' complaints, as all will have to pay the world's parity.

I am glad the Prime Minister has been strong enough to settle the wool-tops controversy. Where the Central Wool Committee departed from the basis of wool control laid down by him they went wrong. For two years Australia has lost much wealth owing to the practical idleness of the big works at Botany, which are the eighth largest in the world, and comprise acres of machinery. I am one of those who believe that the bigger the favorable balance of overseas Australian trade is—be it in primary products, manufactured goods, or partially-manufactured goods—the more easily shall we be able to bear our financial burden. In the first agreement made with the Colonial Combing, Spinning and Weaving Company, wherein the profits were equally shared by the Government and the company, the recommendation for the Prime Minister to sign is indorsed on the agreement by J. M. Higgins, Chairman of the Central Wool Committee. Now, the Prime Minister has been strong enough to insist that work in this very important industry shall continue, and has made a much better contract with the company, wherein they get only 20 per cent. of the net profits, and the company has further to set off those profits against any claim in its cross-action against the Government.

Senator FAIRBAIRN.—Where does the wool-grower come in?

Senator PRATTEN.—I shall tell the honorable senator shortly. In this action, which is *sub judice*, the company charges the Central Wool Committee with the repudiation of a signed and sealed agreement. No doubt the company has been advised by the best legal brains in Australia, but I hope, for the sake of the reputations of the gentlemen constituting the Central Wool Committee, from the Chairman down, that its case will not be sustained. The Prime Minister has tried to carry out the policy he laid down at the inception of the wool scheme that Australian industries and workmen should be fully employed. Credit, surely, should be given where credit is due. The growers may have a case, which the

Prime Minister has already agreed to consider in regard to wool used for the manufacture of wool-tops for export, that they should not be placed in a worse position than they would have been had that wool been shipped and sold by the British Government. They must, however, remember that their own representatives on the Central Wool Committee agreed to the first contract made, which eliminated their interest altogether, and they must not forget that there are three parties to the wool-tops contracts—the manufacturers, the growers, and the Government—and by no stretch of imagination can it be conceded to the growers that they can, will, or should participate in manufacturing profits. This question has arisen only towards the end of the wool control, and no objection was taken to the principle of this arrangement at the start of the scheme by either the wool-growers' representatives or any other member of the community. It has been aptly said that in this matter the wool-growers and their representatives are "straining at a gnat and swallowing a camel." The gnat they are straining at is the very proper desire of the Prime Minister that the Australian wool-tops industry should be kept going, even if $\frac{1}{2}$ per cent. of the wool of one clip is required to do it. The camel the producers appear to swallow is the administration of the Australian Wool Pool, in which they are partners, whereby, after more than four years of waiting, and record world's prices, they have, up to now, no idea of how they will ultimately fare on wool shipped overseas.

Briefly, I would like to examine this question so far as one can theorise on the partial and meagre information available. The big rise in the world's wool market began in 1917-18, and a profit on the flat rate, and in many cases a big profit, should have been made on all sales since then. I will assume for the purpose of this rough calculation that out of the 6,500,000 bales that have been sold to the British Government, and will be sold by them, 2,000,000 bales have been sold at issue prices, or have been used for military and naval purposes, and that 2,000,000 bales will remain unsold on 1st July next. There remain, then, 2,500,000 bales upon which profits have been, or

will be, made up to 30th June next. Appraised prices average £22 per bale, and our total wool clips comprise, say, half merino wool and half crossbred. Compared with prices in July, 1914, auction prices of Australian wool in December, 1919, of the finer sorts were 400 per cent. higher; for the coarser wool they were 250 per cent. more, and since then prices have gone higher. I will assume that the average increase on flat rate from, say, April, 1919, when auction sales first commenced, to 30th June next will be three times more for merino and twice for crossbreds. Supposing the cost of marketing, in order to allow for waste, extravagance, many and liberal commissions, storage, &c., is 6d. per lb., or, say, £9 per bale—which, compared with pre-war costs, is an extremely excessive amount—the following table will be clear:—

Total bales sold to British Government—4 clips	6,500,000
Sold at cost (including all losses and cost of marketing)—for war purposes, say ..	1,300,000
Sold at issue prices (about cost plus all expenses), say ..	700,000
Sold by auction at world's parity, including sales to 30th June, 1920, say ..	2,500,000
Carry over, 30th June, 1920	2,000,000
	<hr/>
	6,500,000 .. 6,500,000

On these figures, I have made up an account with the British Government on these lines—

Australian Wool-growers, In account with the British Wool Control—to 30th June next.	
1,250,000 bales merino wool, at £22 × 3 = £66 bale	£82,500,000
1,250,000 bales crossbred, wool, at £22 × 2 = £44 bale	55,000,000
	<hr/>
	£137,500,000
Less cost of marketing, at 9d per bale	22,500,000
	<hr/>
Net realization	£115,000,000
Flat rate cost—2,500,000 bales, at £22	55,000,000
	<hr/>
Net profit on 2,500,000 bales to British Government,	£60,000,000

The amount due to Australian wool-growers is therefore £30,000,000, or equal

to an average of over £6 10s. per bale on the 4,500,000 bales I estimate will be sold at auction and for all purposes to 30th June next.

Another table, based on twice the average cost of the wool being obtained, and charging £6 per bale for all expenses, shows the following:—

2,500,000 bales, at £22 × 2 = £44 per bale	£110,000,000
Inclusive costs of marketing, £6 per bale	15,000,000
	<hr/>
Net realization	£95,000,000
Cost at £22 per bale	55,000,000
	<hr/>
Net profit made by British Government	£40,000,000

The amount due to Australian wool-growers on this calculation to 30th June next, would be £20,000,000, or £4 10s. per bale, spread over all wool sold to date. These figures are buttressed by the general admission in the British press that a profit of 10s. on the cloth for every good woollen suit made in Yorkshire is now going to the Australian wool-grower. The loyal contribution of our wool-growers to the war I have taken as about 15 lbs. of wool at 1s. 3½d. to every belligerent engaged on the side of the Allies, including Russians and Americans. The sale of 700,000 bales at issue prices or fixed rates at a little more than cost, of which 450,000 bales went to Yorkshire, was intended to keep down the price of clothing to the masses, but, owing to the break-down of the British Profiteering Act, nearly the whole of the profit went into the hands of Yorkshire manufacturers.

Therefore, profits made so far are on only 2,500,000 bales out of 4,500,000 bales sold. Of the 2,000,000 bales remaining unsold we should expect 1,000,000 bales sold during the latter half of this year at not less than double the average flat rate, giving a further net profit of £16,000,000 in all, of which half would belong to the Australian wool-grower. Surely also we can expect the carry-over of 1,000,000 bales, after we start marketing out next clip, to bring ultimately as much as cotton is bringing now, in view of future world's shortage, and, I think, in spite of heavy expenses, a profit of a few million pounds sterling to our own producers, as well as to the British Government, can be expected from this last 1,000,000 bales.

It does seem to me that an animal product such as wool should, as compared with a vegetable product such as cotton, be entitled to at least the same price, and I believe the world's buyers will give it.

I estimate, therefore, a total ultimate profit of from £30,000,000 to £40,000,000 to the wool-growers of Australia, equal to from nearly £5 to over £6 per bale, on the whole of the deal, after making generous allowances for war purposes, expenses, and contingencies. For this our producers have to thank the Prime Minister. His services to Australia in connexion with wool can be capitalized at that amount.

What a boon the distribution of only a portion of this money would be to the drought-stricken wool-growers of New South Wales! Even an advance of 50 per cent. on realized and expected profits would mean nearly £2 10s. per bale on every bale of wool put into the four Pools. Conditions are extremely sad and disheartening in some of the wool-growing centres in the State I represent, and a pound now would be of perhaps more value than several pounds later on. One of the urgent necessities of the day is to see whether this cannot be done. Parts of New South Wales are in a desperate condition, and a little extra wool money now would be of incalculable value.

In connexion with this great wool problem, I would draw the attention of the Government to the export now going on of stud sheep. The Central Wool Committee and the wool advisers of the Government have been apparently ignoring the fact that some of our best stud rams are being bought up and shipped to other countries. The foundation upon which the Australian wool industry is based is a monopoly of the world's fine wool, and if the cream of our flocks is allowed to leave Australia, we are asking for trouble and encouraging a competition which some day we may rue. The ostrich-feather industry still remains peculiar to South Africa, by reason of the prohibition of the export of ostriches. We could raise ostriches just as well here as they can in South Africa, but we are unable to import a bird, and the authorities will not allow even an egg to leave that country. A policy of prohibition of

Senator Pratten.

export of stud sheep, therefore, would, in my opinion, be wise for the Australian Government to pursue, for the sake of the future of the Australian wool trade.

In the interests of the primary producers, I would like the fullest possible light on the operations of the Central Wool Committee, in conjunction with the Wool Council in London. The war being over, and the necessity for secrecy having passed, plain statements in connexion with losses, interest, insurance, expenses, commissions, and all charges the Pool will have to bear should be unequivocal and absolute. The large amount of money that is clearly due to Australian wool-growers should be asked for, and some payment on account be made, especially to needy wool-growers.

I conclude by again stressing the importance of our wool industry and the necessity that exists to develop all secondary industries based on it. I have already pointed out, from my place in this Chamber, that as, owing to the elementary condition of our secondary wool industries, we make only one-third of the woollens we use, we are paying a toll to outsiders of two or three guineas on every suit of clothes we wear.

I trust that in the forthcoming ballot a large number of wool-growers will, in their own interests, give a decided "No," thus refusing to consent to any further control, and that the Government will allow our oldest and most important industry to get back to normal conditions as soon as possible, in order that the world's parity of price, without deduction, shall get into the hands of the producers of Australia, many of whom so badly need it. If the wool control ends on 30th June next, as I hope it will, and if the Government turn a sympathetic ear to the future, on the lines I have suggested, co-operating with the British Government with regard to the carry-over stocks, I believe Australia will be all the richer, and much benefit will be felt by the primary producers.

Senator PEARCE (Western Australia—Minister for Defence) [4.27].—The Senate is indebted to Senator Pratten for his masterly setting-forth of this very intricate and complex question. I refer particularly to that portion of the wool problem known as the agreement with the Colonial Combing, Spinning and

Weaving Company. The honorable senator can claim that he has put the case dispassionately. He is one who takes an independent view on most questions, and, as a member of the Government, I am glad to note that, generally speaking, his view of the matter in dispute is that the Government have succeeded in doing the best in all the circumstances. One could not have been a member of the last three Governments without becoming somewhat familiar with this question, but I must confess that, unless one applied himself closely to it in all its ramifications, it was exceedingly difficult to sort out the points upon which difficulties arose. Briefly put, the position is that in 1916, as the result of a conference at which, I think I am safe in saying, the wool-growers of Australia were represented, it was decided that the Commonwealth Government should offer the whole wool clip to the Government of the United Kingdom, and that to do this effectively the Commonwealth Government must first acquire the clip. That was done, and the British Government purchased the whole clip at a flat rate of 1s. 3d. per lb. for greasy wool.

Senator BAKHAP.—Did they purchase the whole clip without any reservation?

Senator PEARCE.—No; there were certain reservations, one of which was that sufficient wool could be retained and sold in the Commonwealth for the purpose of local manufacture at the flat rate of 1s. 3d. per lb. The Central Wool Committee was set up. It was never suggested at that time that any share whatsoever of the profits made in the local manufacture of wool into either wool tops or any other form of manufacture should go to the Central Wool Committee. These seem to me to be the essential points:—The Commonwealth Government was authorized by the interested parties, including the wool-growers, to acquire the whole clip. Sufficient wool was to be retained for the requirements of local manufacturers, and the local manufacturers were to get the wool at the appraised price. On 1st March, 1917—and this, too, is very essential when we come to consider the present case—on the recommendation of the Central Wool Committee an agreement was entered into by the Commonwealth with the Colonial

Combing, Spinning, and Weaving Company, which agreement provided that half of the net earnings should be placed at the disposal of the Commonwealth Government. The profits under that agreement were not paid into the Pool. A dispute arose in 1918, which is now the subject of litigation, as to whether or not the agreement had expired. A second agreement was proposed to be drawn up in 1918, and in fact a draft agreement was drawn up, but it was not ratified. At a conference at which the Treasurer (Mr. Watt) represented the Commonwealth Government, and at which the Central Wool Committee and the Colonial Combing, Spinning, and Weaving Company were also present, certain articles to be embodied in the agreement were adopted and signed. One of those articles provided that a proportion of the profits was to go to the Commonwealth. It is provided in the agreements made with the other companies that a proportion of the profits shall go to the Commonwealth Government, and under those agreements already the sum of £135,000 has been paid, or is available to be paid, into the Commonwealth Treasury.

Senator BAKHAP.—What does the Commonwealth purpose doing with the money?

Senator PEARCE.—To put it into the Consolidated Revenue.

Senator BAKHAP.—Does it not revert to the wool-growers in any way?

Senator PEARCE.—Certainly not. That is a short statement of the essential points of this matter. It seems that the Central Wool Committee became at loggerheads with the Colonial Combing, Spinning, and Weaving Company, largely, I understand, over the question of the use of the wool for the making up of wool-tops for export. Whatever claim the Central Wool Committee might have, it cannot be said to have any greater claim than this, that it should be in as good a position in regard to the quantity of wool used by local manufacturers to be made up into any form for export as it would have been if that wool had been sold to the Government of the United Kingdom. Clearly, that is the utmost claim that the Central Wool Committee could advance. It could have no claim to any increase in value given to that wool by the processes of manufacture, or by any increase in value in the world's markets of a particular form of manufacture, because this was not due in any sense to its efforts.

Senator BAKHAP.—But that would increase the quantity of raw wool required at that price, and this would prejudice the grower to some extent, as he would have participated in half the profits on such wool if it had been taken over by the British Government.

Senator PEARCE.—No. Supposing 1,000 bales of wool were made up into wool-tops in 1918.

Senator BAKHAP.—For Australian requirements?

Senator PEARCE.—Either for Australian requirements or for foreign export. But, adopting the honorable senator's suggestion, supposing 1,000 bales of wool were made up in the Commonwealth into wool-tops in that year, the only way in which the wool-grower, could have been prejudiced by it was this, that as the wool was made up in Australia he would get only the flat rate of 1s. 3d. per lb., whereas if it had been sent to the United Kingdom he would have received that flat rate plus a share of the profits made by the British Government, and less the cost of sending it to the United Kingdom.

Senator BAKHAP.—He could not complain of that, because he knew there was a reservation in favour of Australian requirements.

Senator PEARCE.—That is so, but I understand that that is not the complaint. The complaint, as I understand it, is that the wool is made up into wool-tops, not for sale in the Commonwealth, but is afterwards sent out into the markets of the world and sold to outside countries.

Senator BAKHAP.—To America, for instance?

Senator PEARCE.—Or to other countries.

Senator BAKHAP.—Has not the grower some legitimate complaint?

Senator PEARCE.—I think not. The most he can complain of is that in addition to the 1s. 3d. per lb., he should get the profit which he would have derived had that wool been sold to the United Kingdom. As I understand the position, he is claiming more than that. Senator de Largie has reminded me that if the wool had gone to Tasmania and had been returned in the form of the splendid blankets which come from Launceston, and if those blankets had been subsequently sold on the markets of the world, it could not be contended that the wool-grower was entitled to any of the

profits made by their manufacture. Surely the most the grower can claim is the profit which he would have made had the wool been sent in its raw state to the United Kingdom.

Senator BAKHAP.—Is not that what he is after?

Senator PEARCE.—I understand that he is asking for very much more. The Prime Minister (Mr. Hughes) has already announced on behalf of the Government, that the Commonwealth is prepared to extend to him the consideration which I have indicated. The Wool Committee should be placed in as good a position in respect of the wool used by this particular company as they would have occupied had that wool been sent to the United Kingdom and sold there.

Senator BAKHAP.—I think that they have a splendid case upon that point.

Senator PEARCE.—I come now to the question raised by Senator Pratten regarding the profits made by the British Government, in which, under the arrangement made by the Central Wool Committee, the latter should share. This is a most important question to the Commonwealth. It is one of the matters which the Treasurer, who has a full knowledge of it, will take up on his arrival in England. I am sure that it will be in capable hands, and that Mr. Watt will do his utmost to see that the Commonwealth and the wool-growers get a just and speedy settlement, of this much-vexed question.

Senator BAKHAP.—There has never been any authoritative statement as to what those profits really amount to.

Senator PEARCE.—That has not been due to any lack of inquiry on the part of the Commonwealth Government. As a matter of fact, the Prime Minister has been cabling frequently and emphatically upon this question, but so far has been unable to get any satisfactory reply. Senator Pratten has dealt with this matter in a very full and effective way, and I am very glad that he has seized the opportunity to place the whole of the facts before the public. I am sure that when the people are acquainted with those facts much misapprehension that has been caused by statements which are neither fair nor accurate will be removed.

Senator GARDINER (New South Wales) [4.40].—I congratulate Senator Pratten upon the case which he has presented for our consideration this afternoon. Like most of the subjects which he takes up, he had given it most careful preparation. Whenever he speaks, therefore, we have the advantage of learning something upon which we may confidently rely in the future. I realize that to the wool-growers of this country and to its people generally, this is the most important question that the Senate can discuss. I am not at all satisfied with the easy manner in which the Minister for Defence (Senator Pearce) sought to gloss over one phase of it, when he said that the lack of information on the part of the Government was not due to any lack of inquiry on their part. To my mind, that is a tame and lame excuse to emanate from the Ministry. The people of Australia are entitled to the desired information, and if the Government asked for it with the authority which they possess, they would get it. But there is no desire on the part of Ministers, nor has there been for the past two or three years, to supply this information to the public. I gather my information from scraps of reports gathered here and there, and it is really surprising how even an ordinary statement in regard to this wool matter will be met by the wool-growers themselves with point-blank denials of their accuracy. This is due to the fact that there is no reliable source of information to which we can appeal. But a little while ago there returned to Australia from Great Britain a gentleman who occupies a very high position in commercial circles in Sydney—I refer to General Lassetter. He brought back with him some most valuable information. He told us that last year the English and Scottish wool-growers did not enter the Wool Pool. From him we also learned that Australian wool—millions of bales of it—has been held out of the market in order to enable the English and Scottish wool-growers to obtain a much higher price for their wool than would have been possible if they had been obliged to compete with the Australian article. Of course, I recognise that it is the duty of the British Government to look after the

interests of their wool-growers; but it is equally the duty of the Commonwealth Government to safeguard the interests of our wool-growers. For the information of honorable senators, perhaps I had better read precisely what General Lassetter says upon this question. It is as follows—

Up to the end of December, one and three-quarter million bales of wool were sold, and during 1920 there remained three times this quantity to be disposed of.

Therefore I consider that at least £60,000,000 will be lost to the Australian public.

The position with regard to the contracts made with the British Government does not seem to be understood by the wool-growers and is all set forth in the report to which I have alluded. In October, 1916, the basis of wool was fixed at 15½d.; it was renewed in the middle of 1917 for another year, then extended in 1918 to cover clips for a year after the war. This has since been interpreted to mean all wool shorn up to June, 1920. For English and Scottish wool the initial price was in 1914 advanced 55 per cent.; in 1917, 50 per cent.; and in 1919, 60 per cent. But in 1919 the English farmers asked for an 80 per cent. advance, and the Scottish for 100 per cent. advance. After prolonged consideration, the Government decided to abandon the purchase of the Home clip, and the wools have been sold, in the normal pre-war manner, through the country wool fairs. Prices realized show an advance of from 100 to 200 per cent. on pre-war rates. The English and Scottish farmers were much too shrewd to hand over their wool to the Government.

That is an interesting statement by a very reputable business man in Sydney, and, as far as I can learn, it is one which has neither been contradicted nor denied.

Senator BAKHAP.—The English and Scottish wool-growers were right alongside the world's market, and could do what they liked.

Senator GARDINER.—The English and Scottish wool-growers were interested in the Pool during the war period, but immediately the war was over they asked for an increase of from 80 to 100 per cent. upon the prices which they had been getting. Their claim having been refused, they did not again enter the Pool, and, as a result, their wool was sold at a very much higher rate. I am not blaming the British Government for leaving their wool out of the Pool, or for keeping our wool out of the market in order that the English and Scottish growers might secure a better price for their commodity. Senator Pratten, in referring to this agreement, said that there had been an

unexpected increase in the price of wool. By whom would the increase be unexpected? Would it be unexpected by any man who has been following the use to which wool has been put during the five years of war?

Senator BAKHAP.—Was there always transport for our wool?

Senator GARDINER.—Had our wool been sold in the open market there would always have been shipping available for it.

Senator BAKHAP.—I doubt that.

Senator GARDINER.—Why, the one thing out of which money could be made was woollen goods. I am not complaining because our wool was permitted to go under British control whilst the war was raging. But immediately the conflict was over, especially in view of the fact that for five years the woollen goods of the world had been depleted, and no attempt had been made to restore the quantities needed by the nations, why should not the markets of the world be afforded an opportunity of purchasing Australian wool? Had our wool which is now held in the stores been sold twelve months ago, the greater part of it would have been worn out to-day. But now the best we can hope for is that next year's clip will have to compete with the wool which has been held off the market.

Senator BAKHAP.—It will probably bring more than 1s. 3½d. per lb., anyhow.

Senator GARDINER.—I should think so. A grave injustice has been inflicted upon the Australian wool-grower by reason of the price which has been maintained. A corner has been established in wool. Statements have been circulated that favoured manufacturers in Great Britain have been enabled to purchase wool at favoured prices, out of which no profits will come to the Australian growers, notwithstanding that the materials into which that wool entered have been sold at five times their ordinary value.

Senator PEARCE.—Is the honorable senator alluding to local manufacturers?

Senator GARDINER.—I am referring to the favoured manufacturers of Great Britain. Personally, I am of the opinion that a monthly report of the wool sales in Britain should be published by the Government even now.

Senator DE LARGIE.—Do the manufacturers in Great Britain get their wool cheaper than do the Australian manufacturers?

Senator GARDINER.—Yes. Certain manufacturers in Britain have been able to obtain our wool at favoured prices, and are making untold wealth out of it. Here in Australia one can point to persons who purchased wheat under very favoured conditions, and who made considerable wealth out of it. Where there is wool, there are men who want it. For what purpose was a whole year's wool clip of Australia held back? Evidently for the purpose of enabling some manufacturers of woollen goods to get the cream of the market when the war was over.

Senator BAKHAP.—What other countries, apart from France, America, and Japan, were in a position to purchase wool?

Senator GARDINER.—I take it that, immediately the war was over, all countries could purchase wool.

Senator BAKHAP.—Oh, no.

Senator GARDINER.—Then, if the honorable senator's statement is correct, and no country outside of Great Britain was in a position to purchase wool, there could be no occasion for the Pool. The one thing needful for the civilized world is woollen goods; and it is absurd to say that the world's credit was so depleted that no country, outside of Great Britain, was in a position to purchase wool immediately the war was over. What is wrong with Holland? And what is wrong with Germany? But I know that my friends opposite will not sell wool to Germany.

Senator BAKHAP.—But it has been urged that Germany has no credit with which to buy our wool.

Senator GARDINER.—Well, I want the position tested, by having the Australian wool sold by public auction as formerly. I am convinced that it will bring higher prices than ever, and that shipping will be secured, outside of British-owned vessels if necessary, to take it to wherever it may be required. This policy will lead to an immense growth of trade in Australia, and the Commonwealth will reap the full benefit of the position. To my mind, the Commonwealth Government ought to make this their first duty.

Senator BAKHAP.—But remember that the Australian manufacturer will also have to pay higher rates for his wool.

Senator GARDINER.—I have no sympathy with any Australian manufacturer who gets wool at 1s. 3½d. per lb. and—on this point we have sworn evidence—retails at 22s. per yard material which costs only 7s. to produce. There can be no sympathy for any man who gets wool at bedrock prices and charges the general community profiteering rates. This advantage has been given to manufacturers by the Government which they have spent good money to keep in office. There is no doubt about the Government's association with this profiteering in woollen goods. The people have to pay through the nose for every yard of material they buy.

Senator BAKHAP.—There cannot be much margin for profiteering, because Senator Pratten has shown that only about ½ per cent. of the output is required for local needs.

Senator PRATTEN.—I was referring to wool-top requirements.

Senator GARDINER.—As far as I can see, there is a corner in wool, and manufacturers are able to charge any prices they like.

Senator THOMAS.—And with the consent of the Labour party we are now going to put on a duty to keep out goods from other countries.

Senator GARDINER.—It has always been contended that the brains of the Labour party are on the Ministerial benches, so I do not see how Senator Thomas can charge the Opposition with the responsibility for that position. This is the work of the old-time Free Traders, Senator Thomas, Senator Pearce, and the Prime Minister (Mr. Hughes).

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator's time has expired.

Senator PEARCE.—If the honorable senator desires, I will move for an extension of time.

Senator GARDINER.—Did not the suspension of the standing order to enable Senator Pratten to continue, apply also to other honorable senators?

Senator PEARCE.—No.

Senator GARDINER.—Then I do not want any special privileges.

Motion, by leave, withdrawn.

AUSTRALIAN IMPERIAL FORCE CANTEENS' FUNDS BILL.

Bill presented by Senator PEARCE, and read a first time.

Senate adjourned at 4.57 p.m.

House of Representatives.

Wednesday, 14 April, 1920.

Mr. SPEAKER (Hon. W. Elliot Johnson) took the chair at 3 p.m., and read prayers.

NEW SOUTH WALES POST-OFFICES.

Mr. AUSTIN CHAPMAN.—Is the Postmaster-General aware that the Deputy Postmaster-General for New South Wales has intimated that it is his intention to close some of the post-offices in country centres in that State because those now in charge of them decline to continue the work at the low salaries offered? Does the honorable gentleman approve of this action?

Mr. WISE.—I am not aware of what is being done in this matter, but I shall make inquiries.

RECEPTION OF THE PRINCE OF WALES.

Mr. WEST.—Since the House adjourned, events of great importance have occurred in New South Wales. A change of Ministry has brought a Labour Government into power, and the Lord Mayor of Sydney having died, a Labour Lord Mayor has been appointed to succeed him. Will the Prime Minister cause telegrams to be sent to their Gracious Majesties the King and Queen, informing them that their son will, nevertheless, be quite safe in New South Wales?

Question not answered.

QUESTIONS WITHOUT NOTICE.

Upon an honorable member asking a series of questions without notice—

Mr. SPEAKER.—A question or questions of considerable length should be

placed on the notice-paper, unless of very special urgency. It is at all times for Ministers to say whether they will or will not reply to any question, but a question asked without notice on the ground of urgency should not be so long that it cannot be conveniently followed by the Minister to whom it is addressed.

AUSTRALIAN TROOPS IN LONDON.

Mr. MAHONY.—Has the Minister representing the Prime Minister seen the report published in the *Sydney Sun*, of the 12th April, and cabled from London, stating that distress exists amongst members of the Australian Forces there? It states that these men are on the verge of starvation, their position being desperate. Will the Government have the matter investigated, to ascertain whether there is any truth in the report; and if there is truth in it, will they take immediate steps to relieve the condition of these soldiers?

Sir JOSEPH COOK.—I saw the statement in the *Sun*, and hope that it may not be correct; but the honorable member may rest assured that inquiries are already being made on the subject.

NORTH-SOUTH RAILWAY.

Mr. LIVINGSTON.—Will the Minister representing the Prime Minister take into consideration the offer made last year by Messrs. Timms and Kidman, to build the north-south railway, either on a tender basis or with land grants?

Sir JOSEPH COOK.—Proposals for the expenditure of rolling millions bear a peculiar aspect just now. I am afraid that we have not enough money to build the north-south railway; but I shall look into the matter and see what can be done.

RUMOURED RESIGNATION OF PRIME MINISTER.

Mr. MATHEWS.—Is there any truth in the rumour that is now going round Melbourne that the Prime Minister intends to retire in favour of Councillor Curnow, Mayor of Bendigo?

Mr. HUGHES.—There is also the rumour that the honorable member is to act as a substitute for the living skeleton now on exhibition in Port Melbourne.

INTER-STATE SHIPPING.

TRANSPORT OF FODDER.

Mr. RICHARD FOSTER.—On what date did the Commonwealth control of Inter-State shipping completely cease? Will the Prime Minister make use of one or two of the Commonwealth cargo boats to relieve the congestion on the various wharfs, and in particular to transport fodder to the eastern States?

Mr. HUGHES.—I think that our control of Inter-State shipping ceased last Monday. The Government will be glad to do all that is possible to relieve congestion; but we possess only a limited number of ships, and the demand for their services for coastal work is very great. When, a fortnight ago, the honorable member asked a question on the subject, I promised that I would consult with the Controller of Shipping, and I had an interview with him on the following day, when he promised to do what he could; but the means at his disposal being limited, it is only with considerable difficulty that he can provide tonnage. However, I shall go into the matter with him again.

COMMONWEALTH NOTE ISSUE.

Mr. MAHON.—Has any action been taken, or is any contemplated, for the reduction of the note issue, seeing that we have in circulation £20,000,000 to £25,000,000 in notes more than are required? Do the Government propose to take any steps immediately towards reducing that volume, and by deflating the currency, bring down the cost of living?

Sir JOSEPH COOK.—In the first place, there are not fifty odd millions of notes in circulation.

Mr. MAHON.—I did not say so. I said that there was £20,000,000 more in notes than necessary.

Sir JOSEPH COOK.—There is less than about £20,000,000 in actual circulation. The remainder of the notes issued are contained in the banks.

Mr. MAHON.—They have been issued from the Treasury.

Sir JOSEPH COOK.—Quite so. I hope to be able to tell honorable members just what is proposed to be done in this respect. I shall be giving notice to-day of my intention to deal with the matter

of the note issue and its control, and I will make available all the information in my possession.

PAPERS.

The following papers were presented:—

Income Tax—Royal Commission (Imperial)
—Seventh instalment of the Minutes of Evidence, with appendices. (Paper presented to the British Parliament.)

Defence Act—Regulations amended—Statutory Rules 1920, No. 45.

Public Service Act—Promotions of—

W. E. Dunk, Prime Minister's Department.

N. J. O'Heare, Prime Minister's Department.

War Precautions Act—Regulations amended—Statutory Rules 1920, Nos. 2, 52.

War Service Homes Act—Land acquired under, at—

Spotswood, Victoria.

Waratah, New South Wales.

TARIFF.

INCREASED CHARGE UPON STOCKS.

Mr. MACKAY asked the Minister for Trade and Customs, *upon notice*—

Whether he has taken action to effectively prevent wholesale and retail firms charging the increased duty on stocks held previous to the introduction of the Tariff now before the House of Representatives?

Mr. GREENE.—With the limited constitutional powers possessed by the Commonwealth, the Commonwealth law authorities advise that no effective action can be taken. The matter, however, is being further considered.

GUNNER YATES.

ACTIVE SERVICE RECORD.

Mr. MAKIN asked the Minister representing the Minister for Defence, *upon notice*—

1. Is it a fact that Mr. Yates (ex-member for Adelaide), when a member of the Australian Imperial Force, was posted to the 9th Reinforcements to the 5th Pioneers while he was on recruiting leave?

2. Is it a fact that the 9th Reinforcements to the 5th Pioneers embarked for oversea service while Mr. Yates was on recruiting leave?

3. Is it a fact that Mr. Yates was subsequently posted to the Artillery, with which Unit he embarked for active service?

4. Was Mr. Yates posted to any other Unit; if so, to what Unit, and for what purpose?

5. Is it a fact that Mr. Yates was drafted to the 50th Battery, 13th Brigade, in France?

6. Is it a fact that the 50th Battery was

engaged in the raid on Villers-Bretonneux on 15th June, 1918; Morlancourt, 29th July, 1918; the taking of Hamel, 4th July, 1918; and the big offensive of 8th August, 1918, during which time Gunner Yates formed one of a gun crew?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. Yes.

3. Yes.

4. There is no record of Gunner Yates having been posted to any other Unit whilst abroad.

5. Yes. Gunner Yates was taken on the strength, and posted to the 50th Battery, 13th Field Artillery Brigade, in France, on 23rd May, 1918.

6. Yes, as far as the Battery was concerned, but it cannot be ascertained whether Gunner Yates formed one of a gun-crew in the engagements at Villers-Bretonneux, Morlancourt, or the taking of Hamel. Before commencing the big offensive, on 8th August, 1918, the 13th Field Artillery Brigade formed a dump of surplus stores and baggage at Blangy-Tronville, near Amiens, and it is understood Gunner Yates was one of a small guard which remained there until 25th October, 1918, or later, and, therefore, did not participate in the big offensive.

ANZAC TWEED.

Mr. FENTON (for Dr. MALONEY) asked the Minister representing the Minister for Defence, *upon notice*—

If, in view of Messrs. Whitelock and Carter, of Bendigo, being willing to employ at least five returned soldiers and find looms without any expense to the Government, the Minister for Defence will instruct the Manager of the Commonwealth Woollen Mill that, when yarn is being spun for the use of Anzac tweed weaving in Melbourne, an extra half-hour be given to such spinning, so that a branch of the industry may be started in Bendigo for the benefit of returned soldiers?

Sir GRANVILLE RYRIE.—The question of what arrangements it may be possible to make at the Government Woollen Mill with a view to increasing the output of yarn for hand-loom weaving is under further consideration, and the result will be announced at an early date.

FEDERAL CAPITAL.

COMMISSIONER BLACKET'S FINDINGS.

Mr. WEST (for Mr. J. H. CATTS) asked the Minister for Works and Railways, *upon notice*—

With further reference to questions asked by the honorable member for Cook on the

15th October, 1919, page 13351 of *Hansard*, and comments thereon at page 13379—

1. Who were the accountants or other persons (presumably not departmental officers) who reported on Mr. Commissioner Blacket's findings?

2. Were these investigations conducted publicly or privately?

3. What was the cost of these reports on Mr. Commissioner Blacket's findings?

Mr. GROOM.—The answers to the honorable member's questions are as follows:—

1. Mr. J. A. Norris, then Accountant, Victorian Treasury, now State Auditor-General. Mr. R. Shackell, then President of Victorian Institute of Accountants.

2. In the usual way that auditors conduct inquiries, by examination of books, documents, and any other means they consider necessary to verify statements. The appointment of these two accountants for this purpose was announced in the press prior to entering upon the inquiry.

3. A fee of forty (40) guineas each was paid to Messrs. Norris and Shackell.

DISTRICT COMMANDANT, WESTERN AUSTRALIA.

Mr. BURCHELL asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether it is a fact that an officer has been appointed District Commandant in Western Australia who has not seen service with the A.I.F.?

2. If so, why are qualified officers who have been on active service with the A.I.F. being overlooked?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follows:—

1. Yes, but this officer, who has seen service in the South African war, is one of the senior officers in the Permanent Forces who volunteered for service but was debarred in first instance by physical unfitness, and later on was over age.

2. The selection was only made after the claim of all officers had been carefully considered.

WAR SERVICE HOMES.

MINERS' HOMESTEAD LEASES.

Mr. CORSER asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Is it a fact that the Comptroller of the Soldier Settlement, Department of Lands, Queensland, is freely accepting applications and making advances under the Discharged

Soldier Settlement Act on the security of the Queensland perpetual lease selections?

2. Is the Queensland miners' homestead lease as good a security as a perpetual lease; if not, why not?

3. Why are returned soldiers refused advances under the War Service Homes Act on miners' homestead leases in small inland towns where freehold property is not obtainable, although the security is freely accepted by private firms and individuals?

4. If the tenure of the Queensland miners' homestead lease is not sufficient to comply with the requirements of the War Service Homes Act, will the Minister introduce an amendment of the Act or regulations to enable advances to be made, and thus remove what is stated to be a serious injustice to returned soldiers who enlisted from districts where freehold securities are not obtainable and from other districts where freehold securities are obtainable only at excessive prices?

Mr. POYNTON.—The answers to the honorable member's questions are as follows:—

1. I cannot say; but as the Queensland Government, although making the land available under perpetual leasehold, would also be in possession of the fee simple, its advance would be fully secured, as the land and the improvements thereon would revert to it should the occupant make default.

2. I cannot say.

3. The War Service Homes Act provides that advances shall be made in respect of land held in fee simple only. If the practice were followed of making advances to erect dwellings on leasehold lands it would mean that the person holding the fee simple, in this case the Queensland Government, would, in the event of forfeiture, have the right to the property and the Commissioner would not have the requisite security.

4. The Queensland Government has again been asked to permit the conversion of such titles to freehold where required for the erection of homes for soldiers, and at the same time legal opinion is being obtained as to whether, taking all things into consideration, such titles as Miners' Rights and Miners' Homestead, Leases offer sufficient security for the purposes of the War Service Homes Act.

MANUFACTURE OF COTTON HOSE.

Mr. MARR asked the Minister for Trade and Customs, *upon notice*—

Whether he will state—

(a) How many cotton hose manufacturers there are in the Commonwealth?

(b) What is the value, or estimated value, of cotton hose that can be produced during the next two years?

Mr. GREENE.—The information desired is being obtained.

SUGAR.

IMPORTS AND EXPORTS.

Mr. GREENE.—On 26th March the honorable member for Yarra (Mr. Tudor) asked the Minister for Trade and Customs the following questions, *upon notice*—

1. How many tons of sugar were imported by the Commonwealth Government from the 30th June, 1919, to date?
2. From what countries has this sugar been imported?
3. How much per ton was paid f.o.b.?
4. What has it cost for freight?

I replied that the information was being obtained. I am now able to furnish the honorable member with the following information:—

1. Approximately 70,100 tons up to 29th February, 1920.
2. Java and Fiji.
3. 60,000 tons Java sugar, £22 per ton f.o.b.; 6,000 tons Java sugar, £23 per ton f.o.b.; 4,100 tons Fiji sugar, £25 10s. per ton f.o.b.

4. 35s. per ton for the Java sugar and 27s. 6d. per ton for the Fiji sugar. Insurance and exchange charges have to be added to the cost. In addition to the sugar which has been imported since the 30th June last, a large quantity of imported sugar was carried over from the previous financial year.

On 17th March the honorable member for Echuca (Mr. Hill) asked the following questions:—

1. Whether a shipment of sugar is being permitted to leave Australia?
2. If so, has this come under his notice, and has it his approval?

He was informed that I had been unable to obtain any information in regard to the shipment referred to, but that further inquiries were being made. I am now able to furnish the honorable member with the following information:—

It has been ascertained that no application for permission to export a shipment of sugar has been made to my Department, and in any case approval would not be given at the present time, unless it were a shipment of sugar imported by the Colonial Sugar Refining Company from its plantations in Fiji for the purpose of refining and re-shipment in connexion with the company's Pacific Island trade.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

SECOND READING.

• Mr. POYNTON (Grey—Minister for Home and Territories) [3.18].—I move—

That this Bill be now read a second time.
At this second-reading stage of the Bill, I wish to place upon record, in as concise

and accurate a manner as possible, the efforts which have been made by the Commonwealth in connexion with repatriation, and, in order to do that, it will be necessary for me to go back to the early history of this great subject, so that I may indicate the developments which have taken place. With respect to this problem, unlike many others, there was no beaten track; there was not even a blazed trail along which we might advance. Every move that had to be made was, so to speak, a move in the dark. We had to feel our way, and do the best we could under the circumstances. I suppose that, in regard to every other piece of legislation introducing reforms, there can be found in some part of the world an example, a copy, upon which to base our efforts. It would be rare, indeed, if we were unable to secure a lead from some source or other.

Respecting repatriation, however, we could not look to any other legislative act upon which to base our own Statute. Hence we had to grope along doing the best we could. It is almost impossible to realize accurately the advantages gained by Commonwealth control as compared with the voluntary effort exercised in the earlier stages of the repatriation effort unless one traces the full history of the movement. At any rate, the subject is big enough, and the record is such as to warrant my placing before honorable members in a concise and accurate form the whole history of the repatriation movement. Therefore I ask the forbearance of honorable members if I am compelled to adhere somewhat closely to my notes.

In tracing the evolution of the Department of Repatriation, and particularly in order that the problems which the Department has faced and successfully grappled with may be fully appreciated, it is desirable that I should revert to 1915, when the first Federal Parliamentary War Committee and the State War Councils were brought into existence. At that time there were many voluntary efforts promoted for the benefit of soldiers over which the Commonwealth Government had no control, and while they were doing good work, the aid afforded by these private funds was of a temporary or ameliorative character only, and even at that early date it was felt that there was need for some

financial assistance towards the permanent re-establishment of our men. Accordingly, at the beginning of 1916 the Federal Parliamentary War Committee propounded the idea of a Repatriation Fund, from which advances might be made to returned soldiers or their dependants for the purchase of stock, seed, or plant, or by way of general assistance as distinct from ameliorative aid. In other words, it was to be a fund which would serve the purposes of general civilian re-establishment. This idea, having been indorsed by a conference of Federal and State Ministers held in Melbourne in February, 1916, was embodied in the Australian Soldiers' Repatriation Fund Act, which vested the administrative control in a body representative of all parties in the Federal Parliament and outside interests, the Prime Minister of the day being chairman.

On the 18th April a special appeal for funds was issued by the Federal and State Governments, and to enable the fund to become immediately operative, the Commonwealth Parliament voted a contribution of £250,000 to supplement some large private donations then promised. It was at that stage that the Hon. J. C. Watson, the honorary organizer of the Parliamentary War Committee, attended a meeting of the Provisional Board of Repatriation Trustees on the 5th May, and explained the position of the movement at that date. The Australian Soldiers' Repatriation Fund Act was assented to on the 31st May, 1916, and the Board of Trustees, as at first constituted, included the following:—The Prime Minister of the Commonwealth, Arthur S. Baillieu, Esq., the Hon. Sir J. Langdon Bonython, the Right Hon. Sir John Forrest, John J. Garvan, Esq., E. Grayndler, Esq., Samuel Hordern, Esq., Hon. J. M. Hunter, of Queensland, Hon. Sir William Irvine, Senator Long, Senator Millen, Denison Miller, Esq., Hon. J. Page, Hon. A. Poynton, and O. Morrice Williams, Esq. A sub-committee, consisting of Senator Pearce, who was Acting Prime Minister, and Messrs. Baillieu, Denison Miller, Page, and O. Morrice Williams, was appointed to consider matters of organization. A further sub-committee, consisting of Senator Millen and Messrs. Grayndler, Hordern, and Denison Miller, was appointed to suggest regulations. For the transaction of the busi-

Mr. Poynton.

ness of the Trust, the Board at a later date appointed an executive of five, consisting of the chairman, the Prime Minister, Mr. O. Morrice Williams, who was elected deputy chairman, Sir Langdon Bonython, and Messrs. Baillieu and Grayndler. The great bulk of the task of repatriation at that time rested on the shoulders of these five gentlemen, and great credit is due to them for the effective and special work they accomplished. Mr. D. J. Gilbert was appointed Secretary to the Board.

The Act provided that the disbursement of moneys and the allocation of property should be effected through the State War Councils. Honorable members who were in Parliament at that time are thoroughly conversant with what these War Councils were doing. As a member of one, I know that they did a considerable amount of useful work, but experience demonstrated that substantial equality of treatment irrespective of States could only be secured by Commonwealth control.

Mr. RODGERS.—There is no such thing as equality of treatment in repatriation. It is a misnomer to use the phrase.

Mr. POYNTON.—There were so many activities carried on in the States which were outside the jurisdiction of the trustees that although the administration was designed to secure equality of treatment so far as the Repatriation Fund was concerned, their efforts, at best but touched the fringe of things. The necessity for Commonwealth control arose out of these circumstances, and the Prime Minister, as chairman of the Repatriation Trustees, requested the Executive Council of the Repatriation Trustees to submit recommendations for giving effect to the desires of the Government. These recommendations were submitted, and became the subject-matter of a conference of Federal and State Ministers, which met in Melbourne in January, 1917, and agreed upon the broad lines of repatriation generally.

In 1917 the Australian Soldiers' Repatriation Act came into existence, giving the Commonwealth control of the repatriation effort in Australia. The Act itself embodied no scheme, but provided the machinery for carrying any scheme into effect. It was, in short, but a skeleton—a framework upon which

those who had to take control of the work were to build.

In moving the second reading of the first Repatriation Bill in the Senate, the Minister (Senator Millen) defined "repatriation" as—

An organized effort on the part of the community to look after those who have suffered either from wounds or illness as a result of the war, and who stand in need of such care and attention. . . . a sympathetic effort to reinstate in civil life all those who are capable of such reinstatement. Repatriation is not, or ought not to be, a mere money-scattering proposition. Money will be required, and much of it; but that money will be spent only as a means to the end we have in view. If any other principle is observed it will not only not help the soldier, but tend to defeat the very object we have in mind. Although underlying any scheme of repatriation is primarily a sense of responsibility to all soldiers, it is as well to recognise also that there is an economic problem. If 250,000 men remain unnecessarily idle for one week only, there is a loss represented by their wage-earning capacity of anything between £600,000 and £700,000. It is as well to remember, in view of the heavy financial responsibility which will be involved in consequence of this measure, that when we help our soldiers we shall, to a large extent, be helping ourselves, and by so doing fit this country the better to carry that great burden of debt which will undoubtedly fall upon it as a legacy from the war.

On 31st December, 1917, the Australian Soldiers' Repatriation Fund was in credit to the extent of £398,464 1s. 2d. This amount was received from the following sources:—

	£	s.	d.
Commonwealth grant...	250,000	0	0
Interest thereon ...	7,044	11	10
State Contributory Funds ...	133,134	6	10
Exhibition of War Films ..	8,285	2	6

Against this amount, gifts, expenses, &c., to the value of £75,383 1s. 9d. were written off on 31st December, 1917, leaving assets to the value of £323,080 19s. 5d. Disbursements were made by the State War Councils to the extent of £235,248 10s. 4d.

The Repatriation Department was officially inaugurated on the 8th April, 1918, but actually the officers of the new Department had their hands upon the levers from the end of 1917. When the Act came into force the Minister (Senator Millen) had as his advisers a Commission of seven members comprised as follows, the Minister himself being chairman:—Deputy chairman, Mr. Robt. Gibson;

Members: John Sanderson, Esq., Sir Langdon Bonython, Lieut.-Col. R. Haylock Owen, Private Harry Moorehead, and E. Grayndler, Esq. Colonel Owen, who left for England early in 1919, has been represented on the Commission by Lieutenant-Colonel Semmens.

It is in the light of the figures which I have quoted and the facts which I have related concerning the original Repatriation Commission that one gathers the fairest and best impression of the work which the present Department of Repatriation, under Senator Millen, has accomplished. Some idea of the distance travelled by the Department may be gathered from the fact that on the 31st December, 1917, the total number of men discharged from the Australian Imperial Force was 40,384. To-day the total number of men discharged is 248,549.

When the Department of Repatriation assumed the responsibility for national obligations to the men who had enlisted at the call of their country, the cry was still going forward for men to step into the breach. At that time, the probable duration of the war was a problem beyond the solution of even the most expert naval or military minds. Hostilities, as the events subsequently proved, had yet another year to run, and some of the darkest days of the whole great cataclysm were still before us. It was impossible, therefore, to estimate, at that juncture, the dimensions of the repatriation problem. It is interesting, now, to know that the total enlistments in the Australian Imperial Force reached 416,809, and of that number 327,239 embarked for service abroad. Of the total embarkations, 59,130 were killed in action or died on service as the result of wounds or sickness, and, in addition, 5,438 applied for and received their discharges abroad. There were thus 262,671 men on the Army strength, on account of whom the Department of Repatriation accepted definite responsibilities. Of this number, no fewer than 260,903 have returned to the Commonwealth. There remained still overseas or on the water at the middle of February only 1,768 men.

Various estimates were made as to the time which the work of demobilization would involve. In the earlier stages of the war, it was believed that it would take some eighteen months, but as the shipping difficulty intensified the original estimate was extended to two years, and

ultimately to three years. The position to-day is, however, that of the 260,000 soldiers on the Army strength, 248,549 have been actually discharged, leaving on the Defence roll 12,354. If we add to this number the 1,768 men still to arrive back in the Commonwealth, we have a total of 14,122 soldiers of the original Army still on the Army strength. Thus, of the 416,809 men who enlisted for service abroad, there is now only 3½ per cent. on the military pay-roll.

These men upon discharge are no longer the responsibility of the Defence Department, but they immediately become the responsibility of the Department of Repatriation. Of the 248,549 men discharged from the Australian Imperial Force, 173,957 have had recourse to the Department of Repatriation for assistance under one or other of the branches of the Department. These men are entitled to submit more than one application for the varying forms of benefits granted by the Department, and the actual number of applications submitted to the Department by these 173,957 applicants is 406,692. These do not take into account applications for houses or land areas. Of the total applications received, 153,993 were for employment, 37,451 for vocational training, and 215,248 for general assistance.

Of the 153,993 men who applied, through the Department, for employment, 138,964 were found work. The number of men left on our books at the end of February, the date of the last return, was 15,229, representing 6.8 per cent. of the men discharged. The problem of the re-establishment of the returned men of the Australian Imperial Force in the civil life of the community was infinitely more acute in 1918, and the early months of 1919, than at any other period in the history of the Department. This will be readily understood when it is borne in mind that throughout that period the tens of thousands of men who were being returned to the Commonwealth were returned because of definite, and in many cases, grievous physical disablement. In addition to having to face an industrial community abnormal by reason of the war, the problem consisted of adapting men, physically broken or otherwise impaired in health, to industrial conditions. In the later months of repatriation, that is towards the end of 1919 and in 1920, these difficulties have not been

in evidence. The men coming forward in the later period are, for the greater part, men who served throughout the war and have returned in the pink of condition.

I have referred to the fact that all estimates concerning the period of demobilization were upset by the splendid achievement of our demobilization officers, under the direction of General Monash and Senator Pearce. The effect upon the employment section of the Department of Repatriation may be conjectured when it is pointed out that during one period of six months no fewer than 120,000 men were returned to the Commonwealth. That is to say, the men came back to Australia at the rate of 20,000 per month. This rapid demobilization would have been serious enough had industrial conditions in Australia been normal; but, as a matter of fact, and as honorable members well know, repatriation and the re-establishment of these men in the industrial life of the community had to be carried forward at a time of industrial upheaval, and through a period of epidemic disturbance of the civil and industrial life. The effect of these disturbing elements was immediately reflected in the employment returns of the Department. For example, in 1918, notwithstanding the fact that the Department was dealing with physically handicapped men, the unemployed on the books of the Department represented from 2.8 to 4.2 of the total discharged.

Early in 1919 the influenza epidemic compelled many employers to close their establishments or limit their operations. The Department received returned soldiers who had recently been placed in employment and who were thrown out of work through the epidemic, back on its sustenance books, and the percentage of unemployed to discharged immediately rose to 6.5. When the influenza epidemic passed the unemployment figures began to recede, but the seamen's strike, following untimely upon the epidemic, threw 30,000 men into idleness in Melbourne alone, and under the influence of that industrial disturbance the unemployment figures of the Department rose to 7.5 per cent. When that strike terminated the figures fell again to 5.1 per cent., when the recent engineers' strike raised them again to 6.8 per cent.

There has been a lot of criticism of the amount of sustenance paid, but any fair-minded critic is bound to concede that

the employment operations of the Department of Repatriation have marked a very fine achievement and are most gratifying. Irresponsible statements have been made in regard to the payment of sustenance by the Department. Huge disbursements under this heading have been hinted at; the Department has been charged with encouraging indolence and demoralizing sub-normal men. The facts are that the average amount paid by way of sustenance per man through the Department of Repatriation Employment Section has been £8 5s., and that the average period for which men have been drawing sustenance has been three weeks. There is nothing demoralizing in sustaining a man for three weeks while employment is being secured for him, and I do not think honorable members will say that £8 5s. is an excessive amount per man for the country to pay these men who offered their all for their country. I have stated that 15,000 odd men remain on our employment books. The Department is at present placing men in employment at the average rate of 5,000 per month. Given normal industrial conditions, and especially if our hopes are realized and a period of new industrial activity should be experienced throughout the Commonwealth, very little time should elapse before the repatriation problem, so far as employment is concerned, is worked out.

Probably no phase of the work of the Repatriation Department has been so widely discussed or is better known than that of the vocational training section, and, here, may I say that as far back as at the beginning of 1918, those American officials who were charged with the repatriation of the troops of the United States, put themselves in touch with the Australian Department of Repatriation, and, on their own testimony, the repatriation scheme of the United States has been to a great extent modelled upon the Australian scheme. Again, the Government of the Dominion of New Zealand not only cabled to the Department of Repatriation for a complete outline of its scheme, particularly in relation to vocational training, but subsequently sent a military officer to Melbourne, who spent three weeks in the Department, with the result that his report, based upon the Commonwealth scheme, with one or two minor alterations, was adopted by the New Zealand Government. The Government of South Africa also commissioned a military

officer to make exhaustive inquiries into the Australian scheme, the vocational training phases being the subject of specially close inquiry. Quite recently I noticed that General Birdwood, in a speech delivered at Camperdown, said—"I have been through the several States and I have come to the conclusion that there is no other country that is doing so much for the soldier as Australia."

It will be within the recollection of all honorable members that originally the vocational training plan of the Commonwealth provided for the re-adaptation to industrial life of those members of the Australian Imperial Force who, by reason of wounds or sickness contracted on active service, were unable to revert to their pre-war occupation. Honorable members will be pleased to know that some of these men who were apparently hopelessly disabled are to-day 100 per cent. efficient and holding their own in the industrial life of the Commonwealth.

MR. AUSTIN CHAPMAN.—Many young soldiers have unsuccessfully tried to get vocational training.

MR. POYNTON.—That is quite true. It was anticipated that there would be a vast army of industrial sub-efficient men left to this country as a legacy of the war, but so successful has been the work of re-adaptation, and so self-reliant are the sons of this Commonwealth of ours, that the number of men who probably will fail to attain full efficiency is comparatively negligible. During the last year it became apparent to the Minister for Repatriation and the Government that that considerable section of the A.I.F. who enlisted under the age of twenty years, many of them, indeed, at the age of eighteen years, and who, therefore, to a considerable extent, had not acquired any definite trade, or set themselves to any definite industrial purpose in life, was entitled to consideration under the vocational training scheme of the Department. It was recognised, and the country has unanimously indorsed the scheme, that it was infinitely preferable that these lads who went away and returned unskilled in any trade should be converted into skilled operatives, and thus become a national asset to this country.

The decision of the Government to extend vocational training facilities to this section of the Australian Imperial Force

involved an additional cost of over £1,000,000. The estimated cost of the original scheme was £1,813,365.

Mr. FLEMING.—It is well worth it.

Mr. POYNTON.—I believe it is. Up to the present 4,079 men have completed their courses of training through the Department classes, while there is a total of 15,405 men undergoing training either in the classes or as industrial trainees who have advanced beyond the training classes, and have passed into factories as partially trained men, their earning capacity being subsidized by the Department to bring their total weekly income up to the standard rate of wage in their trade or calling. In addition, there are 4,623 men attending night classes under the provision of the Department whereby any man who is employed throughout the day may improve his efficiency by attendance at night technical training classes. Not only are 4,623 of these men attending night classes at present, but approximately 1,000 have completed their night course of study.

The total numbers given represent 20,989 men who have received or are receiving the benefits of our vocational training system, and the success of this section of the work of the Department has exceeded the best anticipations of the authorities. The Minister in charge of this Department has expressed the hope that members of this House will avail themselves of an invitation, which he has cordially extended to them, to visit the Department's large training school at Wirth's Park, where over 500 vocational trainees are passing through various courses of training. This visit would convince members of the soundness and efficacy of the vocational training scheme.

It will interest honorable members to learn that upwards of 1,000 returned men have been assisted by the Department in University and professional courses, and the success of the returned men passing through our Universities has been most marked. At the annual examinations held at the end of last year, the returned soldier students in the various Universities of the Commonwealth secured a higher percentage of passes and honours than the normal students, and this, too, in spite of

the fact that in a number of cases they resumed work at the University when the academic year was three months advanced. Three Rhodes Scholarships were awarded to returned men for last year, and as an instance of the high attainment of the returned soldier student in our halls of learning, I might cite the record of the Adelaide University, where 76 per cent. of the returned soldier students entered secured passes, many with honours. Word has just been received that the soldier passes at the Western Australian University were 84.8 per cent.

With regard to the general assistance section of the Department, honorable members, of course, understand that "general assistance" may cover applications for 101 different benefits. In a word, "general assistance" covers every kind of benefit extended by the Repatriation Department, apart from employment or vocational training—furniture, transportation, tools of trade, living allowances to widows and children, assistance for establishment in business, plant, funeral expenses, stock, almost an infinity of assistance. I have already stated that 215,248 applications were received under this heading.

There is another important branch of our Department's work which is being commended far and wide on account of its broad, generous conception. I refer to the after-war medical treatment extended to returned soldiers, sailors, and nurses, for disabilities which are due to, or which have been aggravated by, war service. Under this scheme, all those eligible for after-war medical treatment may be attended by departmental medical officers in the metropolitan area, or by local medical officers appointed in country districts. Upwards of 500 of these local medical officers have been appointed, and in addition to personal attendance for surgical or medical needs, by an arrangement with the Pharmaceutical Society, prescriptions signed by one of the Department's medical officers may be attended to by the nearest pharmacy by the returned soldier affected, or in the event of his inability to attend in person, by his friend or relative. The chemist will dispense that prescription free of all charge to the tenderer, and will furnish such lotions or dressings as the case may require. Those more grievously injured by

the war—the totally and permanently incapacitated—are being cared for in hostels which have been set up by the Department in each of the State capitals, and special provision is also being made for curative treatment and care of tuberculars, nerve cases, war alcoholics, and indeed every physically impaired type which the war has produced.

This brings me to the land settlement phase of the question. Honorable members will probably remember that a conference between State and Commonwealth representatives was held, and it was represented by the State authorities that, as they had the land and all the necessary machinery for administration, this part of our effort should be left to them, the Commonwealth providing the necessary money. I must say that the States made out a strong case; for, otherwise, it would have been necessary for the Commonwealth to establish a Lands Department in each of the States. In order to prevent duplication, it was decided that the Lands Departments of the States should undertake the work.

Mr. FLEMING.—That is the cause of most of the trouble.

Mr. POYNTON.—I was just about to observe that during my election campaign the complaints I heard, in traversing the State of South Australia, in connexion with repatriation, in so far as concerned the activities over which the Commonwealth have control, were very few indeed, although certainly there were some deserving of more attention than they received. The greatest complaint was in connexion with land settlement. I may say that I am not satisfied, and I am sure the Minister is not satisfied, with the speed that is being made.

Mr. FLEMING.—Lack of speed!

Mr. POYNTON.—Lack of speed.

Mr. RODGERS.—I do not think that applies to the State of Victoria.

Mr. POYNTON.—I shall show the actual work that has been done. I may say that the Minister for Repatriation is arranging for a conference at an early date with the State authorities, with a view, if possible, to more satisfactory progress.

The following statement sets out the position in regard to the settlement of returned soldiers under the agreement

arrived at between the Commonwealth Government and the various State Governments, Queensland excepted. The latest returns show the number of men actually settled by the respective State Lands Departments:—

New South Wales	..	3,685
Victoria	..	2,933
South Australia	..	834
Western Australia	..	2,050
Tasmania	..	1,259

10,761

I notice that Tasmania, in face of difficulties, has, comparatively, done remarkably well. I desired to have a complete return in this connexion, and have been for some days trying to get the necessary information. Some of the figures reached me only this morning, but up to the time I left for the House I had not obtained any return from Queensland.

Mr. CORSER.—There is a feeling against the freehold system there.

Mr. POYNTON.—All I can say is that on the 18th October last, the number of soldiers settled on the land in Queensland was about 1,300.

The provision of war service homes is one of the newest of the activities of the Repatriation Department, and has been subjected to considerable criticism. But when I show what has been done, I think it will be admitted that there was no ground for that criticism. According to last Monday's *Melbourne Herald*, the Leader of the Opposition (Mr. Tudor), after he, with a number of other members, had been taken over a good many of the houses that have been built for the returned men, said—

I think the returned men who are lucky enough to obtain possession of such cheap, substantially built, convenient homes are to be congratulated. We visited Canterbury, Bell, Surrey Hills, and Coburg, and in each of the places the houses we saw surprised us with their excellence. All the members of our party spoke in the same enthusiastic strain.

Mr. TUDOR.—That report embodies my own views, though it is incorrect in saying that we visited Surrey Hills.

Mr. POYNTON.—The Executive of the Returned Sailors and Soldiers Imperial League, together with a number of pressmen, also looked over many of these buildings, and ascertained what is being done by the Department, and Captain Dyett, the president of the Federal

Executive of the League, afterwards expressed himself as being entirely satisfied with the sound and satisfactory work that the Commission was carrying out. It is just twelve months since the building of war service homes was commenced, and in that period there has been a great deal of industrial trouble. Members have been supplied with information showing the type of house that is being erected, and giving figures regarding the time lost in consequence of industrial troubles. Up to the present 269 houses have been completed, and the purchasers are in possession. In addition, 3,180 homes are now in course of erection, contracts have been let for the construction of 681 additional homes, and land has been purchased upon which 7,243 soldiers' dwellings will be erected. Tenders have also been called for the erection of 3,703 soldiers' homes. In addition, there have been purchased at the urgent request of returned men 3,778 homes already completed, while 1,134 mortgages have been lifted on behalf of returned men, involving approximately £615,334. The total approvals to date involve £4,816,169. It will be gratifying to members to know that out of a total of £17,519 11s. 9d. of repayments due to the War Service Homes Commission, only £305 17s., or 1.7 per cent., is in arrears.

Mr. CORSER.—Do those figures include the houses built through the instrumentality of the Commonwealth Bank?

Mr. POYNTON.—I take it that they include everything that has been done. The houses which the honorable member viewed the other day were built by the War Service Homes Commission.

Mr. RODGERS.—The Commonwealth advances money to the States for the building of country homes for soldiers and for other purposes. Is there any arrangement between the War Service Homes Department and the State authorities for the standardization of these homes, and the supervision of their construction? The houses that are built for the accommodation of the man on the land are jerry built compared with those constructed by the War Service Homes Department, and vastly inferior to them.

Mr. POYNTON.—The Commonwealth advances money to the States for the building of homes, the buying of stock, the acquirement of land, and so on, but

the carrying out of the work is a State matter.

Mr. RODGERS.—I would suggest an early conference, to bring about the construction of a better class of house for the man on the land.

Mr. TUDOR.—It would be exceedingly difficult for the War Service Homes Department to supervise the construction of houses all over the States. Those that are being constructed in the big centres of population are in large blocks, and close together.

Mr. POYNTON.—I take it that what the honorable member for Wannon suggests is the adoption of a standard type of house for country homes.

Mr. MATHEWS.—The men in the country have very little to grumble at compared with the men in the cities. They can get £2,000 or £3,000 advanced to them for the carrying on of their farms, but it is difficult for a man in the city to get an advance of £20.

Mr. TUDOR.—Might I mention to the Minister, while he is still on the subject of war service homes, that most of us who made the inspection to which he has referred, are of opinion that 9 feet is too low for the clearance of the ceiling.

Mr. POYNTON.—With the provision of more money it may be possible to increase the height of the rooms.

My narrative would not be complete if I did not make some reference to the official journal of the Department which is known as *Repatriation*. This publication has been of immense value in spreading information to returned soldiers in the outback districts. The journal has just completed the first year of its issue, and during that period over 250,000 copies have been distributed in various parts of the Commonwealth, and also in the United Kingdom, America, Canada, Italy, and other countries. I am very pleased to be able to inform honorable members that, after debiting all expenses, the journal is now paying its way. This is a high tribute to the magnificent work of Mr. E. G. Hicks, Publicity Officer and Editor in the Repatriation Department, and to those associated with him in its production.

The Bill is one for discussion in Committee rather than at the second-reading stage, and I shall not occupy much time in dealing with its provisions now, because there will be opportunity in Com-

mittee to explain every detail about which information may be required.

The measure contains three important amendments of our existing legislation, the first of which provides for the amalgamation of the Pensions and Repatriation Departments. This was agreed upon a considerable time ago, and some may wonder why it was not carried into effect earlier, but there were important reasons which prevented it, among them the fact that the Repatriation Department has been performing a task for which there has been no precedent anywhere in the world, and practically the whole of its staff was without departmental experience. Ninety-nine per cent. of its officers are returned soldiers, who, for the most part, had no departmental training.

Mr. TUDOR.—That may be an advantage.

Mr. POYNTON.—In speaking of the difficulties of the Department, I made no reference to this phase of the work, and I am disposed even now to mention this matter, not so much as constituting a difficulty in connexion with the Department's operations, which fact, however, cannot be gainsaid, but as adding lustre to its achievement. Honorable members will readily acclaim the industry, zeal and devotion to duty of a staff which, in spite of lack of training and in so short a period, has encompassed such a very fine record of work as I have been able to make public to-day.

At the present time the annual charge on the Commonwealth revenue for soldiers' pensions alone is £6,118,751, and it is expected by the Repatriation Department that the increases made by Schedule I. of the Bill will add another £1,388,000 per annum, though the Treasury estimate is £1,500,000 per annum. Accepting the lower figures, our annual pensions bill for soldiers alone will be in future something like £7,500,000, because there are still men whose cases have not been dealt with.

The second amendment provides for increases of pensions. In the schedules provision is made for totally incapacitated and blind soldiers. Broadly, the general pension rate for a totally incapacitated soldier has been set down at 42s.; for a totally incapacitated man, with a wife, 60s.; and, with a wife and

three children, 82s. 6d. A special pension rate applicable only to blinded and totally and permanently incapacitated soldiers has been set down on the basis of 80s. if the man is without a dependant, 98s. in the case of a man having a wife, and 120s. 6d. in the circumstance of a man having a wife and three children. The third and chief amendment is the alteration which has been made in substituting a paid Commission and paid Boards for the honorary Commission and honorary Boards. There are to be three Commissioners, whose term of office will be five years. One of these must be a member of the Returned Sailors and Soldiers Imperial League. The State Boards will each consist of three members, one of whom also must be a representative of the Returned Soldiers Association. The period of office of the members of the State Boards is to be two years, and they may be paid fees according to the nature of the work performed. The Commissioners, however, will receive salaries.

Mr. RODGERS.—What different relationship will the proposed Commission bear to the Minister as compared with the present body?

Mr. POYNTON.—The present Commission is not administrative; it is really a legislative body. It determines the benefits to be allotted, and deliberates upon appeals from applicants who may be dissatisfied with decisions of State Boards. The new Commission, in addition to carrying on these functions, will be an administrative authority, and up to the sum of £5,000 it will have control in the matter of expenditure. For an outlay above the sum of £5,000 the approval of the Minister must first be secured.

Mr. TUDOR.—What will be the nature of an expenditure up to £5,000? Surely it would not be applicable to individual cases?

Mr. RODGERS.—There would be no individual cases involving as much as £5,000.

Mr. POYNTON.—I point out, as an example, that we are now considering a proposition for the purchase of a property in this State which will involve considerably more than £5,000. In such a circumstance the Commission would not be free to act independently, but it could sanction an expenditure of less than £5,000.

Mr. FRANCIS.—Will the Minister have power of veto?

Mr. POYNTON.—Undoubtedly.

Mr. FRANCIS.—Concerning an expenditure of less than £5,000?

Mr. POYNTON.—No; the Commission will have authority up to that amount, but beyond £5,000 the approval of the Minister must be secured. Naturally, the Government must retain control over large expenditure.

Sir ROBERT BEST.—Will the Commission have the power of determining policy, or will that be a matter for the Government?

Mr. POYNTON.—The Commission will have the determination of policy.

Mr. RODGERS.—But I understand that the Minister for Repatriation stated in his speech that such would not be the case.

Sir ROBERT BEST.—Will the matter of policy be for the Minister or for the Commission?

Mr. POYNTON.—The power and authority of the proposed Commission will differ materially from that of the present Commission. At present the Commission can only forward recommendations for approval or otherwise by the Minister. But the new Commission will have very much greater scope.

Mr. GROOM.—It will still be subject, of course, to the control of the Minister.

Mr. POYNTON.—That is so. I have been associated with the Repatriation Department since the early days of the Parliamentary War Committee, in 1915. I have been concerned with the War Councils, and for twelve months I have been connected with the Department as Assistant Minister. It would be poor taste on my part at this juncture, in view of my experience, especially during the year in which I served as Assistant Minister, if I were to miss this opportunity to place on record my appreciation of the wonderful work of the honorary Commissioners. They have carried on without fee or reward; they have worked early and late, active business men though they are. They must have made great sacrifices; and the least that I can say is that their services have not only been keenly appreciated, but have reflected very great credit upon them. I only hope that the new Commission will be in a position to render as good and great service to Australia. The task of repatriation, as I have already

stressed, has been exceedingly difficult, in view of the fact, particularly, that there was nothing to guide us.

Sir ROBERT BEST.—Practically the same encomiums might be passed in respect of the State Boards and Local Committees.

Mr. POYNTON.—That is perfectly true; and in regard to the State War Councils also. I have been associated with the War Council in South Australia, as well as with the Federal body, and I am personally aware of the nature and extent of their services. In addition, there has been the splendid work of the 800 Committees scattered all over Australia. Their patriotic activities have been carried on in very many cases without public knowledge, seeing that they have been outside the purview of the press. In the great majority of instances they have worked with enthusiasm and remarkable unanimity. Their services in behalf of Australia cannot be too highly praised.

Mr. RODGERS.—Had the Government given them more power, it would have solved the problem of repatriation much sooner.

Mr. POYNTON.—It was because we were working so much in the dark, and in view of the fact that we had to deal with bodies over whom we had no official control, that the Government hesitated to concede too much freedom of action. Taken broadly, however, they have done remarkably well, and it is quite possible that had they been given greater scope the Committees would have done even better.

Mr. RODGERS.—Hear, hear; their enthusiasm was sapped through lack of power.

Mr. POYNTON.—Up to date there has been spent upon repatriation a total sum of £10,120,408. That includes amounts advanced for land settlement purposes and for forestry work, and £500,000 advanced as a special employment fund to local governing bodies during the acute industrial period of 1919. It is, in my view, highly creditable that in the disbursement of more than £10,000,000, the administrative expenses of the Department have been only £378,257.

Mr. RODGERS.—Can the Minister furnish any figures showing the percentage of beneficiaries under the Act to date, excluding the matters of sustenance and war service homes?

Mr. POYNTON.—I will furnish that information, if possible, during the Committee stage, and I will endeavour to make clear various other matters which I have not had time or opportunity to touch upon to-day.

Mr. RODGERS. — How long does the Government expect the activities of the Repatriation Department to continue, irrespective of the matter of war service homes? Are we not near the end of repatriation?

Mr. POYNTON.—I have already indicated that; but we have still 15,000 men to repatriate in respect of employment, and we are doing so at the rate of 5,000 a month.

Mr. TUDOR.—Some men are still waiting for vocational training.

Mr. POYNTON.—We have a large number of training activities going to-day, and we have laid our plans to provide for over 20,000 trainees in one way and another.

Mr. TUDOR.—I know men who are very anxious to get into employment, but are afraid that if they accept work outside of the Department they will forfeit their right to receive vocational training.

Mr. POYNTON.—The benefits of the war service homes legislation have now been extended to munition workers, and to war workers generally, covering all soldiers. A further proposition has now been considered to apply the benefits of repatriation to men who were in camp, but had not left Australia when the armistice was declared. In certain other directions, also, existing legislation is to be extended. So far as the war service homes legislation is concerned, it is quite apparent that its activities must be carried on over a number of years to come. Apart from the efforts to re-establish men in homes under the War Service Homes Act, this piece of legislation should prove of incalculable benefit in the direction of overcoming the housing difficulty in Australia generally.

I believe honorable members will appreciate the facts which I have been able to submit to them, and will be ready to award due measure of praise to the Department, which, labouring through great difficulty and under exceptional responsibility, has carried on, to this stage, with undoubted credit. The new Bill has

been drafted in the light of much valuable experience, because it embodies conceptions of greater equity and clearer working and economy in the conduct of affairs of our important after-war Departments. I confidently recommend the consideration of the measure to honorable members.

Debate (on motion by Mr. TUDOR) adjourned.

BUDGET (1919-20).

In Committee of Supply: Debate resumed from 19th March (*vide* page 639), on motion by Mr. HUGHES—

That the first item in the Estimates under Division I.—The Parliament—namely, "The President, £1,100," be agreed to.

Mr. TUDOR (Yarra) [4.32].—This is the second occasion since the Budget speech was delivered some time last year on which we have had an opportunity of discussing the Estimates. I realize that nearly five-sixths of the expenditure covered by the Estimates has already been incurred, but there are one or two matters to which I wish to refer now that the opportunity is afforded me of doing so.

I do not think that we have as much industrial unrest in Australia as there is in other countries, but it is well known that we have it here. Various organizations are endeavouring to shorten hours of labour, and in some cases to abolish Saturday work. In one of this morning's Melbourne newspapers I read a criticism of the workmen for attempting to curtail their hours of labour at a time when houses are so much needed, but in another column of the same newspaper we find that the employers propose to overcome their difficulty with the workers by locking them out. Instead, therefore, of having less houses erected there may possibly be none built. The building trades unions in Victoria have not worked more than 44 hours per week for the last eight or ten years. In New South Wales the building trades unions have worked the full forty-eight hours per week. They are now fighting for a forty-four hours week, while the Victorian unions have decided to work for forty hours per week. The New South Wales unions are lagging behind the Victorian unions in this respect, but we are told that the employers propose to punish the em-

ployees by locking them out. We are also informed by the press that Cabinet has been considering the question of amending the Conciliation and Arbitration Act, and intends to call together a conference with a view to receiving an expression of opinion from organizations of employers and employees for the purpose of endeavouring to promote a better state of feeling. I quite agree that this should be done, but during the absence of the Prime Minister (Mr. Hughes) in Great Britain we had an important decision from the High Court on the Waterside Workers case. I am quoting from *Hansard* of 2nd October, 1918, page 6547. The first question which the Full Bench of the High Court was asked to answer was—

Is the constitution of the Commonwealth Court of Conciliation and Arbitration beyond the powers of the Parliament of the Commonwealth, and in particular as to (a) the arbitral provision, (b) the enforcing provisions?

To that question the answer was—

(a) No; (b) Yes.

That is to say, while the Court had the power to make an award it had no power to enforce one. The second question submitted to the High Court was—

Is the award invalid by reason of the appointment of the President for seven years only?

To that question the answer was "No." The third question was—

Is the award enforceable by the said Court?

To that also the answer was "No." Apparently the Court can sit and hear evidence, and make an award, but has no power to enforce it. The then Chief Justice, Sir Samuel Griffith, said that the Arbitration Court—

was invested with ample and complete jurisdiction to declare and enforce the mutual obligations of the parties. The exercise of the power to impose penalties was admittedly an exercise of the judicial power. If the Court had not the power to impose penalties, then that power would be non-existent elsewhere.

The Prime Minister knows as well as any one in the House that some organizations have been endeavouring for years to get their cases heard by the Arbitration Court, and have not succeeded; furthermore, some of them have adopted other means than the ordinary process to get their cases heard. This is not the only way in which the unions feel that

they are handicapped. The Court has recently decided that once an organization has submitted a plaint, and an award has been given, it is impossible for it to be varied during the currency of the award. Yet we know that many plaints have been more than two years before the Court. The Prime Minister can see the hardship of the matter—first of all the difficulty of getting to the Court, and then the fact that, owing to the Arbitration Court being hamstrung by the decision of the High Court, the workers cannot obtain justice. In these circumstances there is less likelihood of the industrial organizations seeking the services of the Arbitration Court for the settlement of their grievances.

When the building trades unions in Victoria decided two or three months ago that they would not work more than forty hours in the week, or on Saturdays, the State Government immediately wiped out the decisions of the Wages Boards. But the unions did not care. Some unions do not worry about Arbitration Court awards or Wages Boards decisions. They are powerful enough without them. In fact, I understand that some of them rather welcomed the decision of the Victorian State Government.

I have been prompted to make these observations because of the notification of the intention of the Government to bring about an amendment of the Arbitration Act. When the decision in the Waterside Workers' case was raised in the House, during the absence of the Prime Minister in Great Britain, the Acting Prime Minister (Mr. Watt) said that the matter would be remitted to the Acting Attorney-General, who would, no doubt, report to Cabinet as to the necessity for an alteration of the Arbitration Act. If that is all that is necessary, it should be done. The Justices of the High Court are unanimously of opinion that Parliament can make the necessary amendment to enable organizations to have an award varied during its currency, and, in my opinion, we ought to take steps to do so. Thus we can remove at least two causes which are operating in the direction of creating industrial unrest.

The Commonwealth Government have practically released control of all shipping, and, as nearly every person anticipated, there has been an immediate increase in freights and fares.

Mr. Tudor.

Mr. CORSER.—Yes, of about 20 per cent.

Mr. TUDOR.—It is about 20 per cent. I quote the following from the *Age* of yesterday's date—

With the arrival yesterday of the steamers *Oonah* and *Wainui* from Tasmania, the Melbourne-Tasmanian mail service maintained by Huddart Parker Ltd. and Union Steamship Company became free, after a period of two years, from Government control, the vessels, in addition to the *Loongana* and *Rotomahana*, having completed their last "requisition voyages."

The seamen's dispute occurred from about May until October of last year, and in the latter month the Government agreed to an increase in fares and freights in order to meet the extra cost imposed by the granting of increased wages and improved conditions to the seamen. This increase amounted to about 1s. 6d. per ton, but now the shipping companies have put on a further increase of 4s. per ton. I quote the following table of increases from the *Age*—

FREIGHTS.

	Old Rate Per Ton.	Government's October Increase.	New Rate Per Ton (Approximate).
		s. d.	s. d.
Melbourne to Sydney ..	14s.	15 6	19 6
Sydney to Melbourne ..	14s.	15 6	19 6
Melbourne to Adelaide ..	14s.	15 6	19 6
Melbourne to Fremantle ..	25s.	27 6	32 6
Melbourne to Brisbane ..	22s.	24 6	28 0

In addition to these coastal routes, a similar increase has taken place on the Tasmanian service. The freights on general cargo to Launceston will be 15s. per ton.

The *Age* does not state what the freight on general cargo to Launceston has hitherto been, but if the Comptroller of Shipping found that in respect of freights from Melbourne to Sydney a rise of 1s. 6d. per ton was sufficient in October last, there cannot be any possible justification for these increases. Australia is largely dependent upon its shipping services for the transport of goods from State to State, and these increases, therefore, mean that every industry in the Commonwealth will be penalized by the shipping companies. The following statement, also published in yesterday's issue of the *Age*, shows the increases that have been made in Inter-State shipping fares:—

FARES.

Melbourne to Sydney.—Old rate, 1st, £2 17s. 6d.; Government October increase, £3 3s.; new

rate, £3 15s. Second: Old rate, £1 15s.; Government October increase, £1 18s. 6d.; new rate, £2 6s.

Melbourne to Adelaide.—Old rate, £2 17s. 6d. and £1 15s.; Government October increase, £3 3s. and £1 18s. 6d.; new rate, £3 15s. and £2 6s.

Melbourne to Fremantle.—Old rate, £9 and £6 15s.; Government October increase, £9 18s. and £7 10s.; new rate, £11 15s. and £9.

Sydney to Adelaide.—Old rate, £4 14s. 6d. and £3 3s.; Government October increase, £5 5s. and £3 10s.; new rate, £6 3s. and £4 4s.

Sydney to Fremantle.—Old rate, £11 and £7 15s.; Government October increase, £12 and £8 10s.; new rate, £14 10s. and £10.

The *Bulletin*, in its issue of the 1st instant—less than a fortnight ago—dealt with the position of one of these shipping companies, that of Huddart Parker Limited, from the time when, as the prospectus put it, "the company had reached dimensions too large for it to be continued as a proprietary company." In the following table is set out the actual increase in the company's returns:—

DIVIDENDS.

	De- cem- ber.	Profits.	6 per cent. Prefer- ence.	Ordinary.	To Reserves	Reserves
		£	£	£	£	£
1912		93,016	28,125	7 % = 33,125	31,766	28,201
1913		63,058	30,000	5 1/2 % = 27,500	5,558	33,759
1914		60,460	30,000	5 % = 25,000	5,460	39,219
Profits on sales of assets, plus transferred from contingency account						
1915		90,634	30,000	7 % = 35,000	14,136	53,355
1916		117,140	30,000	10 % = 50,000	25,634	78,989
1917		140,645	30,000	10 % = 50,000	37,140	116,129
1918		220,747	30,000	10 % = 50,000	60,645	176,774
1919		289,387	30,000	11 % = 55,000	135,747	312,521
					204,387	516,908

Mr. CORSER.—What alteration in capital has been made in the meantime?

Mr. TUDOR.—The honorable member is an apologist for practically every company. According to some honorable members opposite, a company can do no wrong; it may increase its freights and fares at will, and no one dare utter a word in opposition—

Mr. CORSER.—Why not put the position correctly by showing what increase of capital has taken place?

Mr. TUDOR.—The honorable member will have an opportunity to deal with that phase of the question. Messrs. Huddart Parker Limited may be like some other companies registered in Australia which have increased their capital by watering their stock.

Mr. CORSER.—The honorable member is indulging throughout in mere insinuations.

Mr. TUDOR.—Is it mere insinuation to state that Huddart Parker Limited has made these enormous profits? I am giving absolute facts. Notwithstanding that this company has been making enormous profits during the war, it now proposes to increase its freights and fares by 20 per cent. The honorable member would have us remain here like dumb dogs. He does not think we should offer a word of protest against the daylight robbery of the people by means of these increases. The honorable member may please himself, but I, for one, shall not remain quiet.

Mr. CORSER.—The honorable member ought to be just.

Mr. TUDOR.—I am.

Mr. GABB.—Is the honorable member for Wide Bay (Mr. Corser) a shareholder in Huddart Parker Limited?

Mr. TUDOR.—The honorable member, like every one else, has a right to hold shares in any company he pleases, but I object to the representatives of the people remaining quiet when increases of this kind are made by shipping companies which were already securing large profits.

Mr. MATHEWS.—A point that should not be forgotten is that Huddart Parker Limited has fewer ships than it had in 1914.

Mr. TUDOR.—That is so. The *Bulletin* commented on these figures in the following terms:—

A profit sufficient to give the ordinaries almost 52 per cent. after settling with the preferences looks a bit over the odds, particularly at a time when a stiff increase in fares is contemplated.

At the time of the publication of this statement the increase in shipping freights had not been announced—

But Huddart Parkers did not make it all from trading. The directors give the net earnings for the year as £100,717; but that was after strengthening the insurance fund by £67,954. In addition, from the sale of the s.s. *Excelsior*, *Hebburn*, and *Meeinderry*, they realized £120,716 over book values, and that amount was transferred direct to reserves. But even £289,387 may not represent the full net surplus resulting from the year's operations. Besides the general and insurance reserves there is another for "contingencies, taxation, depreciation of property, and shares in other companies, repairs and maintenance, boilers, and renewals, superannuation fund,

&c." And this reserve has been built up rapidly during recent years—

1914.—£36,185, increase, £5,678.
1915.—£63,812, increase, £27,627.
1916.—£123,117, increase, £59,305.
1917.—£131,239, increase, £8,122.
1918.—£262,089, increase, £130,850.
1919.—£292,494, increase, £30,405.

In view of these figures, there can be no justification for the increases in fares and freights. I do not single out this company for criticism. I do not think it has been more successful than any of the other Inter-State shipping companies. The Union Steam-ship Company, the Australian Steam-ships Limited, the Australian United Steam Navigation, and the Adelaide Steam-ship Company, I believe, have all been doing exceedingly well during the last five years at the expense of the people. Tasmania is entirely dependent upon the shipping companies for the transfer of its produce, as well as for the carriage of passengers between it and the mainland, and all the other States are also largely dependent upon the same service for freights. Yet these companies, although they have been doing so well, now propose a further increase of 20 per cent. in fares and freights. The honorable member for Franklin (Mr. McWilliams) has on the business-paper a notice of motion for the appointment of a Select Committee to inquire into certain matters relating to the Inter-State shipping service, and, in view of the fact that the companies, according to their own balance-sheets, have enormously increased their profits of recent years, it is our duty, as the people's guardians, to see that they do not take advantage of the public as they propose to do as soon as the Government releases control over their vessels. When the Treasurer (Mr. Watt) stated some time ago that it would be necessary for the Government to retain control over shipping for some time, I replied that the Opposition had no objection to that course. I stated, I think while the unfortunate seamen's strike was in progress, that the dispute would have been terminated had the control been released. The Controller of Shipping, according to his own statement in granting increases in fares and freights last October, made full allowance for increased wages and improved conditions, but the increase allowed by him was less than half that now proposed by the companies. We ought to protest against this sort of thing. My

electorate is a manufacturing, not a maritime, community, but, like all others, it will be seriously affected by these increases. The consumers of Australia will be hit very hard, and I avail myself of this, the first, opportunity to enter a vigorous protest against the additional burdens which the shipping companies are placing upon the backs of the people.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [4.57].—The Leader of the Opposition (Mr. Tudor) has very properly availed himself of the opportunity afforded honorable members in discussing the Budget to ventilate matters of public importance. I shall follow his example, and, as briefly as possible, cover some of the ground which he has travelled and also deal with one or two other matters upon which he was unfortunately unable to touch. First, let me say a few words on the great question of industrial unrest, which affects almost every phase of human activity, and has a profound influence on the lives of men in their civic as well as their domestic and private capacities. For a solution of this great question all the world is groping, as best it may, in the hope that by some happy chance, or by ordered design, a solution will be found. We ought at least to look at this question from a non-party standpoint. Of course, I realize how very much every man's outlook on this industrial question is coloured and prejudiced by his environment. It is like the shield in the old story, white on one side and black on the other, which spurred the opposing knights on to deadly combat. One party sees in the other the whole cause of everything that is evil, and the explanation of everything that is wrong. Both parties say, unfortunately, that no good thing can come out of Nazareth. But there is, I am glad to say, an increasing number of men who are anxious to discover some *modus vivendi*—some means by which the world can conduct its complex industrial affairs in a better way. The industrial question, looked at from one point of view, is the result of the eternal conflict between the classes; looked at in another, and I believe the right way, it is the inevitable consequence of modern civilization and modern methods of production and distribution. I do not propose to attempt to dive very deeply into the matter to-day; but I say, deliberately, that this House must do all

things within its power to solve this problem, of which industrial unrest is one of the most prominent and unfortunate symptoms. I pass by the general question—not that I have even covered it in general outline, but because time will not permit me to deal with it further, and because I have no remedy at hand—and come to the phases of the matter upon which the Leader of the Opposition (Mr. Tudor) touched. Every man who has been in this House for any length of time, and has taken any interest in industrial matters, knows that this most active Parliament has been for many years a laboratory of industrial legislation. I remember sitting in the seat now occupied by the Leader of the Opposition, and listening to the late Alfred Deakin introducing the first Conciliation and Arbitration Bill in a most glowing and glorious speech, and I felt then, as I feel now, that along that track mankind ought to strive, at any rate, to walk, abandoning the crude and barbaric methods of industrial warfare. But though years have passed, the legislation then introduced, which we fondly hoped was perfectly suited to several of our industrial needs, has proved, no matter what Government has been in office and administering the law, to be the most inefficient and hopelessly futile effort to solve the industrial problem that ever came out of the laboratory of any legislative workshop. Even the master chemist himself has from time to time indulged in gloomy jeremiads, and has been torn with the pangs of despair. He has said that the Arbitration Act is a Serbonian bog, and many other things even less complimentary. We who are not tied to that judicial correctness of language which prevents His Honour from saying what he really does think about the matter, could use words much stronger, and much more to the point. I have been in that Court as a representative of unions, and I indorse what the Leader of the Opposition has said. It is a Court the approach to which is marked by barbed-wire entanglements, and at the very threshold of the portals there is an almost bottomless pit. Of those who by happy, or unhappy, chance find their way inside, many wander aimlessly about, and, buffeted and torn by the technicalities and vagaries of the law, come out, almost without knowing it, and say, "Where are we? And what have we?" It is frequently necessary, as it was found

necessary for the unions under my leadership, to strike in order to reach a Court which was created for the purpose of preventing industrial strife. I remember, in connexion with the Waterside Workers' case, that, having exhausted all peaceful methods, and despite the fact that we were persons notorious throughout the country for our exemplary patience, being denied admittance and turned empty away, our needs being almost desperate, and all other means of obtaining audience having failed, we were, perforce, compelled to strike. We struck, and, lo and behold! the law-abiding unions, which had been waiting patiently like the foolish virgins, were pushed aside, and we entered the Court straightway, and were at once fed, and came out almost full to repletion. One might say very much more to the same effect. The jurisdiction of the Court has been riddled again and again by High Court Judges. The remedy for this is radical in its nature. I have stood on both sides of the House urging the country and Parliament to give us power to deal with industrial matters, and I say now, deliberately, that no tinkering with this problem will do. However, we have to face the situation as it exists. The people rejected the referenda proposals placed before them by the Government, thanks to a good deal of assistance which they received in this matter from some of the leaders of the blind on the Opposition side—

Mr. TUDOR.—And from every newspaper supporting the Government and from every National candidate in Victoria.

Mr. HUGHES.—I was about to say that several honorable members on this side also helped to lead the people astray. I say to both parties, that upon their shoulders rests a very grave responsibility. We are now in a position in which we are asked to do justice, to feed the hungry and clothe the naked, and we cannot do either. The store-houses are closed, and the keys are not in our hands.

The Leader of the Opposition (Mr. Tudor) has alluded to two decisions of the High Court—(1) that the Arbitration Court cannot vary any award during its currency, and (2) that the Court has not power to enforce its decisions. As to the

first point, I have no doubt, speaking off-hand, that we can cure the trouble by legislation in this House; as to the second, again speaking off-hand, I do not think we can. But whatever can be done by legislation in this Parliament will be done at the earliest possible moment. For the rest we must seek, either by an arrangement with the States or by some other means, to acquire that power without which legislation in the direction suggested by the Leader of the Opposition will be useless. The honorable gentleman referred to the intention of the Government to convene a conference of employers and employees. The Government believe that the remedy for this disease of industrial unrest, if we choose to call it so, lies in the hands of the parties themselves, and that without a good understanding between the parties no legislation or any other remedy enforced from outside will serve. We hope that, as a result of this conference, which must be representative in the best sense of the term, the parties will formulate some scheme. It may be that it will take the form that was suggested by me when I was associated with honorable members opposite, of a Grand Council of Labour, on which employers and employees would be fully represented, and which should be charged with the preservation of industrial peace. It may be that it will take some other shape. But we all devoutly hope that by some means or other a better understanding between employer and employee will be arrived at. One thing is certain—unless and until the employers of this country realize to the full that the employee is a full partner in the business of production, we shall not reach any satisfactory solution.

The Leader of the Opposition has alluded to the fact that the unions have to wait a year or two years before they can have their complaints heard in the Court, and that when they reach the Court its jurisdiction is so limited that the remedy it can apply is inadequate as well as belated. The Government believe in the settlement of disputes by methods sanctioned by law. We are opposed to direct action, and upon every man who is against direct action rests a responsibility to see that the means of a peaceful settlement of all industrial disputes

are at hand, and that they are speedy, direct, and efficient. It is no use wailing against direct action when the way is blocked for peaceful settlement.

I now desire to make very brief reference to shipping fares and freights. The Leader of the Opposition (Mr. Tudor) alluded to the notification by the coastal companies of an increase in freights and fares, and expressed the opinion that there is no justification for such an increase, or, perhaps, for any. I may remind the honorable gentleman that for some years the Government exercised a control which, to all intents and purposes, amounted to ownership of the coastal boats. I also remind him of the fact that for many years—during the whole period of the war, or, at any rate, while we had control—the fares and freights on the Australian coast were very much the lowest in the world. If we compare the freights and fares, say, on the English coast, the American coast, or on any coast in the world, with the freights and fares on the Australian coast during the war, we are astounded at the extent to which, despite the tremendous increase in overseas freights, the coastal freights were kept down to within reasonable distance of the pre-war standard. Oversea shipping rates increased almost out of sight. A gentleman to whom I was speaking this morning, who has just returned from Japan, told me that the Nippon Yusen Kaisha Shipping Company was charging £50 a ton from Tokio to Marseilles. Every honorable member knows, because the figures have been quoted in this House, that freights from here to Christiana quite recently were £12 15s., and to England £12, £14, and £15 a ton; that is to say, freight in many cases increased during the war as much as 1,000 per cent. over pre-war figures. If we turn from these to the coastal rates, we see a very different picture. Since 1914, the increase has been 10 per cent., in 1918, and 20 per cent. in 1920. During control by the Government, freights and fares were increased by only 10 per cent. The honorable gentleman said that the Controller put on this increase in order to meet the increased cost in the wages of the seamen and the improvements called for. And he went on to say that as by this increase of 10 per cent. the whole of the increased cost of running

the vessels had been provided for, there was no justification for the recoupment of 20 per cent. made by the Government. I should be the last to criticise Government control, but I wish to show the picture in proper perspective. It is true that the Government increased the freight by only 10 per cent, but it is also true that it lost £300,000! It amounted to this—we were charging the people, who shipped their goods, and who travelled by these boats, only 10 per cent., or 2s. in the £1, more than in 1914, and asking the general taxpayer to make up the difference. That is not business; it is a mere camouflage of the actual facts. It is exactly the same as if we were to sell sugar at 3d., which cost 6d., and to make up the shortage of 3d. by taxation of the whole of the community. It may be said that the charter rate we paid to the shipping companies was excessive. But that was not so, for it was the lowest in the world. The Government paid 12s. 6d. a ton, and when we endeavoured to get overseas tonnage to come on this coast at 12s. 6d., in order to supplement the coastal tonnage, we did not get one ship to offer.

MR. TUDOR.—Was that 12s. 6d. per day, or what?

MR. HUGHES.—Per month. The point is, that outside Australia, the charter rate was 32s. 6d., or more than double. We were paying the lowest charter rate in the world—not more than 40 per cent. of the world rate. Every vessel on the coast, but for the control, would have been taken elsewhere, and would have earned five times as much. I am not one to countenance shipping companies, who make £200,000 or £300,000 profit, but I say that where companies made profits, it was very frequently owing to their getting permission to take one or two of their ships off the coast; and the Government would have lost still more heavily if we had not taken one or two of our ships and given them deep-sea runs. One deep-sea run made up the loss on nine or ten vessels running on the coast.

It is clear then from these facts that the 10 per cent. increase made by the Controller was not sufficient to enable the coastal vessels to pay their way, and that a further increase is justified. The question remains: Are the rates now fixed justified? I believe they are. I

to the people of this country these vessels were released the two conditions were laid down none should be taken off the without permission, and, second, no increase of fares and freights should be made without their being first submitted to the Controller, and the Controller satisfying himself that the proposed increase was justified by the actual increase of working expenses.

Mr. TUDOR.—Were the recent increases submitted and agreed to?

Mr. HUGHES.—Certainly. I gave strict instructions to the Controller that no increase was to be permitted unless and until he had satisfied himself that every penny was justified by the actual increase of expenditure. Let me point out, first, the outstanding fact that we have lost £300,000, and, second, that we were able to manage the ships to much better advantage than they could have been managed by six or seven companies. We had all the advantage of private control, because while the companies were really managing their vessels, yet we were able to work them as if they had all belonged to a single company. Every vessel was worked to its full capacity, there was no overlapping, no company seeking to get advantage over another; yet in spite of all this and of our having commandeered the vessels at the lowest charter in the world, we lost £300,000.

The explanation of all this is very simple. The increase in wages since the war has been from 50 to 60 per cent., coal has gone up 40 per cent., stores over 100 per cent., in some cases 400 per cent., while the cost of repairs has increased 70 per cent. We cannot expect fares and freights to remain constant when wages rise 50 or 60 per cent. and other costs even more. I ask honorable members to remember that only a little while ago we had the engineer's strike, as the aftermath of the seamen's strike, and the settlement on which the engineers returned to work applied to the masters and officers. To-day seamen, masters, officers, and engineers are receiving much higher salaries than previously; and yet they are not receiving higher salaries than men on British boats which sail out of Liverpool or Southampton. I do not know that they are receiving much

higher rates than are paid on vessels which sail out of some of the European ports. The facts are these: wages and cost of production and of enterprise have increased the world over; and it is of no use attempting to measure things with the old yard stick; we must get another. It is no good pointing to what things were before the war. On the one hand the men say that they cannot live on £8 a month, nor can they; and on their increased wages being granted the costs of running the steamers rise. We cannot get more out of a pint pot than it will hold, and companies cannot run their vessels at a loss. I am not going to say for a moment that all the profits of shipping companies are justified. Honorable members cannot expect me personally to make inquiries into the affairs of every shipping company, and satisfy myself. But I have every confidence in Admiral Clarkson, and to him has been intrusted this very important work. He, with his experience of the past four years, is surely one on whom we may rely.

Extension of time granted.

Mr. HUGHES.—Honorable members and the public may rest assured that no increase in fares and freights will be permitted except as provided, namely, that the Controller has satisfied himself, not from the mere *ipse dixit* of a company, but after inspection of books and documents, that the proposed increase is justified.

I now desire to say a word on quite a different matter. The Commonwealth is some twenty years old. When it was instituted, the Constitution provided that Ministers were to be paid a certain salary, and the Public Service was established on a certain basis as a result of legislation in this Parliament. Every honorable member realizes that in the twenty years the Commonwealth has made giant strides. Every honorable member who has held office in the Commonwealth knows that the work which Commonwealth Ministers have to do now is incomparably greater than that which they were called upon to do twenty years ago. I take my own offices of Prime Minister and Attorney-General to illustrate what I desire to say. I look back over the sixteen years that have elapsed since the accession of the first

Labour Government in 1904. I compare the work which Ministers had to do then with the work they are called upon to do now. I look back to the work which had to be done—and no light work it was—in 1908-9, when the first Fisher Government was in power, and to the eventful years of 1910-13, when the second Fisher Government was in office. The work during those years was very heavy indeed. In 1913, during the absence of my friend Mr. Fisher in England, I for a time occupied in effect the same position as I do now. But I say deliberately that during the war the work done by myself and by my colleagues and our officers, as compared not merely with the work of 1901, but with that of 1908-9 and 1910-13, was as four or five are to one. Honorable members have only to consider the activities thrust upon the Government during the war—the control of wheat, metals, shipping, and a hundred and one other matters; the avalanche of work that poured in from every quarter, the increase of responsibilities, and the consequent growth of the staff, and they will agree that the work which Ministers are called upon to do is incomparably greater than the work which Ministers were called upon to do twenty years ago; and yet Ministers' salaries remain the same.

This is a matter which concerns this Parliament. Though I speak as a Minister, I speak on this matter primarily as a member of Parliament when I say that every member should be jealous of the honour and dignity of the Commonwealth. A salary considered sufficient in 1901, when the purchasing power of the sovereign was 20s., it is obvious that now, when the work of Ministers has increased many times over, and the purchasing power is not more than 10s., such a salary is quite inadequate. The work has increased four or five times, while the purchasing power of the sovereign has decreased 50 per cent., yet those who are called upon to do the work of Ministers are expected to perform that work to-day upon a salary which would have been very inadequate in 1900.

I wish now to bring under the notice of the Committee the question of Ministers' travelling expenses. I put my own case, as typical of my colleagues. As many honorable members know, travelling expenses have been paid under different Go-

vernments since the establishment of the Commonwealth. At present they are not paid. Although I have been a member of Governments under which travelling expenses have been paid, I never had a penny in my life; but I want to say that it is not fair to Ministers that the existing state of affairs should continue.

HONORABLE MEMBERS.—Hear, hear!

Mr. HUGHES.—Let me give the Committee my own experience. I hope honorable members will forgive me, but I do not in this matter speak from my own point of view alone. When I came back from England, I travelled from Fremantle right round to Brisbane. That journey could not be said, in the ordinary sense of the term, to be a Ministerial itinerary. It was made to give an account of the stewardship of a representative of the Commonwealth at the great Peace Conference. In Sydney alone my expenses came to £40. In Brisbane they came to nearly as much, and in other places *en route* they were considerable. I never received one penny of those expenses, but paid all out of my own pocket. I am sure that honorable members do not expect that, and will agree that it is not proper. If a Judge travels he gets a travelling allowance, and if a member of a parliamentary Committee travels, he also gets a travelling allowance. I want the Committee to express an opinion on this matter. The Government have decided that it is only fair and proper that travelling allowances should be made at the rate of £2 2s. a day for the Prime Minister and 25s. per day for other Ministers.

Mr. TUDOR.—Speaking from memory, I think that under the Fisher Government, of which you and I were members, the allowance was £2 2s. for the Prime Minister and 30s. for other Ministers.

Mr. HUGHES.—I think that possibly the proposal that allowances for other Ministers should be fixed at 25s. per day was suggested by the fact that members of parliamentary Committees get a travelling allowance of 25s. per day. If honorable members care to express another opinion, I have no objection. If people want work done, they must expect to pay for it. The dignity of the Commonwealth should be jealously guarded by this Parliament. The salaries paid to Commonwealth Ministers as compared

with the salaries paid in other countries are most inadequate. In South Africa, for example, the Prime Minister receives a salary of £3,500 a year, and is provided with six official residences which are kept up for him. In New Zealand, an official residence is also provided for the Prime Minister, and the salary he receives is higher than that which I receive here. The same thing, of course, applies to the salaries of other Ministers.

I leave the case of Ministers, and come now to the position of the permanent heads of Commonwealth Departments. Again I say that the salaries paid to the permanent heads of the great Departments of the Commonwealth are nothing short of a scandal. I take the case of the Solicitor-General, Sir Robert Garran. I have had a long experience of his work. I have now been connected with the Attorney-General's Department for seven or eight years, and without wishing to reflect upon any one else, I say that Sir Robert Garran is a public servant whom the Commonwealth is very fortunate to have at its disposal. He attended, with my right honorable friend, Sir Joseph Cook, and myself, the Peace Conference in Paris, and Cabinet meetings in England; and I say that, comparing him with public servants in England, he comes out very well. He is so valuable to the Commonwealth that I have never been able to recommend him to a high position outside, as I certainly should have done if I could have got along without him. Yet we pay this gentleman a salary of £1,000 a year! During the war he received a special allowance of £200. Honorable members on both sides know Sir Robert Garran, and I say that he is easily the best draftsman I have met. In the drafting of the Peace Treaty, the best draftsman in England was assisted by my friend, Sir Robert Garran; and I say that if I had to choose—and I have had some experience—I would choose Sir Robert. He is paid a salary of £1,000 a year and £200 special allowance. In all the circumstances, such a paltry salary is a reflection on the Commonwealth. If he left the Government service to-morrow, and started in practice on his own, he could make more than that in three months. I have, myself, made more money in six weeks by the practice of my profession than I can earn in my position as Prime Minister in as many months.

Mr. Hughes.

I turn from Sir Robert Garran to the secretary to the Prime Minister, Mr. Shepherd. He is in charge of a great Department, whose activities stretch out in many directions. He gets £750 a year, with a special allowance of £100. I say that that is a grossly inadequate salary. I say nothing against any of my colleagues, but every one knows that the permanent head of the Treasury is a veritable Rock of Ages to the Treasurer. This responsible officer, by whose advice the finances of this Commonwealth are largely guided, gets £1,000 a year, and a special allowance of £200. The Secretary to the Defence Department gets a salary of £900 a year and an allowance of £200; the Secretary to the Postmaster-General a salary of £1,000 a year and an allowance of £150; the Secretary to the Home and Territories Department a salary of £900 and no allowance, and the Secretary to the Works and Railways Department a salary of £900 and no allowance. All these salaries are quite inadequate, and, indeed, in some instances paltry.

I wish honorable members to consider these matters. It is not in any sense a party matter, and I ask them to say whether they consider they are acting fairly by the permanent heads of the Public Service, whether they think the salaries paid to them are commensurate with the duties they have to perform, and compare favorably or at all with the salaries paid outside the Public Service.

Dr. MALONEY.—How about the attendant in this place who is paid only £2 15s. per week? Has the right honorable gentleman no time for him?

Mr. HUGHES.—I could go on talking for a month of Sundays upon the inadequacy of salaries paid to Commonwealth officers, but I am now dealing with one particular matter. We are going to take over the control of another Empire in effect in the great islands that are given to us under the Mandate. We require men of first class capacity, and in order to secure them we must pay them first class salaries. If the salaries we offer are inadequate, good men worth having, unless they are animated, as are those to whom I have been alluding, by a desire to help the Commonwealth, will not offer us their services.

I ask honorable members to consider the whole circumstances of the amount of Ministerial remuneration. That I leave to them. I shall take an expression of the opinion of the Committee on the subject of travelling allowances, and as honorable members approve or disapprove I shall act upon the opinion they express. With regard to the salaries of permanent heads of Departments, since that lies within the ambit of Cabinet authority, I shall listen to what honorable members have to say in regard to that matter also.

Mr. BLAKELEY (Darling) [5.44].—There are a couple of matters to which I wish to refer during the short time at my disposal. With regard to the announcement that has just been made by the Prime Minister (with reference to salaries, I have to say that some six weeks or two months ago I had occasion to speak of the salaries which were paid to attendants in and about the precincts of both Chambers of this Parliament. I then stated that the wages paid these men were down as low as £2 14s. per week. After two protests from myself and other honorable members, the Speaker promised that he would take early steps to see that better treatment was given to the attendants of this House.

Mr. RILEY.—The honorable member for Parramatta (Sir Joseph Cook) also promised to do something.

Mr. BLAKELEY.—It may be that he is going into the matter. We all are desirous of knowing what is to be done, and it is to be hoped that there will be an early declaration that the attendants here are to be paid at least the living wage, that is, £3 17s. 6d. per week.

I desire now to deal with the telephonic services of New South Wales. In that State, both in the cities and in the country, there is in the Postmaster-General's Department, a policy of economy gone mad, which is certainly not to the advantage of business, nor of the community generally. The Department has approved of a telephone connexion between Dubbo and Merrygoen, but, in 1917, when I made representations regarding the line, I was told that the financial stringency of the time made it impossible to construct it, though the line was needed. That was the first excuse. A railway between the two places

I have mentioned connects the western and north-western railway systems of the State. It is not a local line, but serves very large and important areas. It is used largely to convey starving stock between the North-Western District and the Liverpool Plains and New England country, and a great deal of fodder is also carried over it, together with other freights. I was told by the ex-Postmaster-General—who left the Department for the Department's good—that if I would make application in May, 1918, the question would be reconsidered. I did so, and was then told that, owing to the scarcity of material, the line could not be constructed. I may term that answer excuse No. 2. In 1919, I made representations again. Altogether, probably no fewer than 100 letters, petitions, and other communications have been sent to the Department respecting this matter. But in December last, I was told that the line would not pay. That was excuse No. 3. I protested against the unsatisfactory nature of the replies which I had received from the Department, and complained of evasive answers to questions that I had submitted, but I was told by Mr. Webster that, owing to financial stringency, money was not available, that material could not be purchased, and that, in any case, the line would not pay, though previously, as I have said, the erection of the line was approved. I urge on the Government the immediate erection of this line. In droughts such as that from which the country has suffered during the past three unfortunate years, starving stock is sent in great numbers from Bourke, Brewarrina, Cobar, and other places throughout the western pastoral areas to the Liverpool Plains and North-west New England, and fodder is drawn in return from the wheat belt through which the railway passes. There is a telegraph line from Dubbo to Merrygoen, and stock agents and stock-owners can use the telegraph for arranging agistment and the supply of fodder; but the telegraph alone is not sufficient in time of drought, and until telephonic communication has been given between the places I have mentioned, the railway line which connects them cannot be properly used. There are many other telephone lines the erection of which has been refused because of this mad economy

that was instituted by Mr. Webster, and will, I hope, be discontinued by his successor (Mr. Wise). The present Postmaster-General has outlined a scheme of reform, but since then two applications for telephone lines have been turned down. Lines are needed to connect Gulargambone with Warrumbungle, Mendooran with Gilgandra, Coonamble with Quambone, and Carinda with Quambone. All these connexions would be of great value, but because of the shortsightedness of the Department in not providing itself with necessary material, and, in a measure, I suppose, because of some fault of the Treasurer, they cannot be carried out. If the New South Wales telephone system is to be made even as efficient as it was six or seven years ago, many men and much money must be made available for increasing telephonic facilities in the State. In Sydney, as well as in the large towns and the smaller exchanges, a system of sweating was instituted by Mr. Webster. An attendant was dismissed here, a switchboard was done away with there.

Sir JOSEPH COOK.—Is this quite generous to a fallen foe?

Mr. BLAKELEY.—I am not considering Mr. Webster as a fallen political opponent, but as the man who brought the telephonic, telegraphic, and mail services of New South Wales into chaos. His administration has brought about an acute state of disorganization there. He instigated a system of sweating such as should not be tolerated in Australia.

Mr. AUSTIN CHAPMAN.—Perhaps the Government is responsible.

Mr. BLAKELEY.—But Mr. Webster was first of all responsible. The sweating of which I complain is by no means confined to New South Wales; it obtains throughout Australia. Although the business of the Postmaster-General's Department increased by something like 46 per cent. between 1911 and 1918, the staff during that period was reduced by over 6,000 persons. That is nothing to boast about in view of the chaotic condition of the services to-day. I am an unfortunate user of one of the automatic exchanges in Sydney, and have been for from twenty minutes to half-an-hour at a time endeavouring to get that futility called an automatic telephone to make a connexion.

Sir JOSEPH COOK.—An American told me the other day that our telephone system was far ahead of his.

Mr. BLAKELEY.—Then God help America! During the past two weeks I have manipulated my telephone apparatus no fewer than 230 times, and except on, I think, fifteen occasions, have failed to obtain a connexion. If one wishes to acquire a jagged temper and a copious vocabulary of strong language, he has only to subscribe to an automatic telephone exchange in New South Wales. The only part of the apparatus that seems to work is the meter, and it registers constantly. I am informed by a person in the Department that every now and again the meter jumps, and registers as many as two, and even half-a-dozen, calls at a time.

Mr. GABB.—Does it ever jump backwards?

Mr. BLAKELEY.—Never. I have been told, too, by an officer of the Department that my 200 odd fruitless attempts to obtain connexion have been registered against me. If so, and I am called upon to pay for the service that I did not get, I shall put the Department to the trouble of taking the measures necessary to compel me to pay, and shall then call expert evidence which will prove to Australia, if not to the Postmaster-General, that the automatic system, if any good at all, is not understood by the Department.

Mr. AUSTIN CHAPMAN.—If the automatic system is worse than the ordinary system it is a "corker."

Mr. BLAKELEY.—The ordinary system is a Sunday school picnic compared with the automatic. When "City North" is connected with the automatic system, there will be a great demand for girl telephonists and boy messengers; the girls to stay at the automatic telephones all day, endeavouring to get them to work, and vainly endeavouring to obtain a connexion, while the messengers deliver the messages that should go over the line. The campaign of economy which has reduced the staff of the Department by approximately 6,000 during a time when the work has increased by 46 per cent. has brought about a system of sweating. I may instance the North Sydney Exchange, where before the war a staff of forty-six dealt with 1,916 subscribers, and which at present is controlled by a staff of twenty-eight, although there are 2,380 subscribers. The staff has been reduced by nearly 50 per cent., whilst the

increase of subscribers has been approximately 40 per cent.

MR. FENTON.—And there has been no alteration in the system?

MR. BLAKELEY.—No. The conditions at the North Sydney Exchange are similar to those of many other exchanges throughout New South Wales. The number of subscribers has increased rapidly, and the Department seems quite oblivious of the additional strain placed upon the women operators. The speeding-up system which has been introduced is not conducive to satisfactory service, and is certainly not in the interests of the health of the women employed. Recently two American telephonists who came to Sydney were employed in the Sydney Exchange, and, notwithstanding that they came from the country where speeding-up is so much in evidence, they left the work, as they could not stand the strain. The switchboards, which are black, with small holes and white figures, are illuminated with small lamps, and if an operator takes her eyes away from her board she is reported. A monitor supervises the work of every nine or ten operators, and if they do not answer promptly and civilly, or say anything contrary to the thousands of rules and regulations governing the system, they are reported. The monitors are also under the observation of an officer who supervises the work of both monitors and operators. The women work three and a half hours at a time, and are supposed to answer 180 calls per hour. Very rarely do they answer less than 200 per hour, while some answer up to 300 per hour. In consequence of the conditions under which they are compelled to carry out their work their nerves become shattered, and many of them become physical wrecks.

MR. MARR.—Are not some of them marrying?

MR. BLAKELEY.—According to reliable medical authorities, any woman who remains in the Sydney Telephone Exchange for more than five years is not fit to become a mother of children.

MR. MARR.—During the last two years a considerable number has married, and at times there have been as many as fourteen marriages per month.

MR. BLAKELEY.—It is only natural that they should desire to marry, but if they should do so without having a complete change after leaving their work it is, according to medical opinion, undesirable.

MR. MAKIN.—Would not the children of such marriages also be affected?

MR. BLAKELEY.—Certainly, as the mothers' nerves have been shattered owing to the conditions under which they worked. In addition to the supervision I have mentioned, there is a room from which observation officers are connected with the switchboard, so that they ascertain whether the operators are doing their work efficiently. Any complaints made by the "listeners" are recorded. There is also a chief observation officer, who supervises the observers, the monitors, and the operators. Owing to the scarcity of material, due largely to the shortsightedness of the postal officials, the position in New South Wales is very acute.

MR. AUSTIN CHAPMAN.—Does the Postmaster-General care what happens in Sydney?

MR. BLAKELEY.—I am not making any charge against the present Postmaster-General (Mr. Wise), but I trust that he will endeavour to alleviate the distressing circumstances which now exist at the Sydney Exchange. I hope the Postmaster-General will visit Sydney very shortly, so that he may see for himself what is actually occurring, instead of depending upon the reports of his officers. A full inquiry should be made into the working of the automatic system, as such an investigation would disclose either the futility of the system or would prove that it is not understood. I have proved that a subscriber can "pull" until he is black in the face without receiving any response. When I have complained to the mechanic I have been informed that my instrument is not at fault. I complained to the Deputy Postmaster-General the other day, and I fully expect to receive a reply to the effect that my telephone is in working order; but it is useless for an officer to give such a reply when the instrument will not work. I trust the Postmaster-General will find an early opportunity of carefully considering the complaints that have been made

regarding the Sydney Telephone Exchange.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [6.12].—I have listened with interest to the complaints made by the last speaker concerning the inefficiency of the telephone service in New South Wales. I shall confine my remarks to what is being done by the Department under the present Postmaster-General (Mr. Wise), and shall not refer to the administration of Mr. Webster.

Mr. WISE.—Tell us what you did when you were Postmaster-General.

Mr. AUSTIN CHAPMAN.—The Minister cannot side-track me in that way. When I was Minister I was not compelled to listen to a chorus of complaints. I visited the various States in order to investigate what appeared to be important grievances, and did not concentrate my efforts on one particular spot in the Commonwealth. The Minister has not yet visited the various State capitals. It is easy for the Minister to smile and jeer in an impudent manner, but he will find that he cannot defy honorable members. Here is a letter, dated the 12th April, which I have received from the Deputy Postmaster-General, Sydney, regarding the office at Bibbenluke—

The allowance-postmaster at Bibbenluke (Mr. L. L. Thomas) having submitted his resignation unless paid at the rate of £156 per annum, it has been approved to pay him accordingly as a temporary measure for a period of one month as from to-day. As the allowance previously paid to the postmaster, viz., at the rate of £100 per annum, is not justified on the business transacted during the last financial year, subject to the review at the end of the current financial year (June, 1920), payment in excess of £100 per annum cannot be made after the expiration of one month. Unless, therefore, a residence is available in which the office can be conducted, or the name of some suitable eligible person who is willing to conduct the office under the stipulated conditions and at the rate of payment prescribed by scale (£100 per annum) is submitted, the Bibbenluke office will be closed on the 10th May next. I shall be glad if you will kindly advise the residents accordingly.

Bibbenluke is an important little town in a district where at present 400 to 500 men are engaged on railway work, and the Deputy Postmaster-General has said that if an office cannot be provided under the stipulated conditions the post-office must be closed. That is the Postmaster-General's idea of doing business.

Mr. WISE.—What was the honorable member's idea of doing the same business?

Mr. AUSTIN CHAPMAN.—I advise the Minister not to trouble about what I did. I suffered in health for what I did. Consequently I am in the cold shades to day, and I warn the Minister that that is where he also will be pretty soon if he does not lend an ear to and propose a remedy for shameful things such as this.

Mr. WISE.—I shall be quite satisfied if I survive as long a term as Postmaster-General as did the honorable member.

Mr. AUSTIN CHAPMAN.—What the Minister should aim at achieving is as good a record as mine. Here is a small country town. The allowance postmaster has to expend portion of his pay in finding an office for himself, and he is compelled to give the whole of his time to his postal duties. This man at Bibbenluke said, "I can earn more than £100 rabbiting here, or working on the roads. I want £156 for this post-office work, and I am going to get it, otherwise I shall 'chuck' the job." But the chief official, under the responsible control of the Postmaster-General, replied, in effect, "If you do not like to work for £100 a year you can go." The Postal Department is quite prepared to close down the post-office in this important little town. The Postmaster-General, in effect, has said to me, "Unless you find a suitable office and a suitable person to conduct the postal work at £100 per annum, I will shut up the post-office at Bibbenluke." All I can say is that I would not be true to my electors if I continued to support a Government which would either tolerate or accept responsibility for such a position; and I warn the Postmaster-General that my mission here, unless he alters his style of procedure, is to do all in my power to bring about his retirement in favour of another individual.

Mr. WISE.—Who will not do any better.

Mr. AUSTIN CHAPMAN.—At any rate, he would try to do so. The facts which I have just brought forward uncover a disgrace. I cannot understand the Postmaster-General, even by inference, indorsing it, or treating it, apparently, as a joke; neither can I accept

his suggestion that nothing better could be done by some one else. The Postmaster-General is responsible for this threat to close up the allowance post-office at Bibbenluke. It is of no use for him to climb the tower of the Melbourne General Post Office and imagine he can see the whole world spread out. There are other places beside Melbourne. I blame the Postmaster-General for inferentially indorsing this kind of thing. I am quite certain that the sagacious former Postmaster-General who now administers the Navy Department (Sir Joseph Cook) would not indorse such a procedure. The least he would do would be to promise to take the matter into consideration. However, I do not propose to hold up Sir Joseph Cook as an example to the present Postmaster-General, for the present Minister for the Navy is himself responsible for much of the trouble in the postal service. To-day, of course, he would condemn acts such as I am now exposing, and he would tactfully promise to give favorable consideration to an alternative proposition. It is to this "new chum" in the Postmaster-General's Department that I now address myself, and I sincerely trust he will alter his ways. This disgraceful case is, unfortunately, typical of the manner in which the Department is being conducted. I would suggest that the Minister institute an exchange of senior officers between the various State head-quarters of the Postal Department. For example, let him send Mr. Bright and, say, twenty of his leading officials over to Sydney, and let him despatch Mr. Young and an equal number of Sydney officials to the Melbourne head-quarters; and let him make similar changes in regard to the other capital cities. In that manner, we would probably ascertain the causes of the trouble and muddle in the Department. Business people say to-day that the postal and telephonic services are pretty well demoralized, or, at least, in a very bad condition. In the postal service, unhappily, the worst kind of sweating exists. It seems that the Department, in certain instances, will not pay even the half of a living wage. For the reason that I have nothing but the kindest feelings for the Postmaster-General, I urgently suggest that he mend his ways, and take a look around Australia. He must go to Sydney and Brisbane, and Adelaide, and the

other chief cities. It is idle for him to imagine he can administer his huge Department from Melbourne; and it is idle for a former Postmaster-General, sitting at the Ministerial table—I refer to the Minister for the Navy—to think that Government supporters will remain here like dumb sheep and fail to exercise their individual rights by way of protest. It is of no use to put the blame upon the departmental officials and telephone girls, who have a thankless and trying position. The heads of Departments are responsible, but the Minister is responsible for the heads. I invite him and them to do something. The commercial world is upset, and finds it more and more difficult to carry on. Is the Postmaster-General aware that quite a number of the small mail contractors in country districts are carrying on upon starvation rates, and that they are compelled to purchase their necessary fodder supplies at drought prices, which renders it impossible for them to continue at a profit, or even get a living? The late Postmaster-General (Mr. Webster) gave these contractors some little degree of relief, but they still receive starvation rates for the carriage of mails, and they still ask the Government to consider that they are paying drought prices for horse feed. Cannot the Postmaster-General exercise common sense, and endeavour to bring about satisfactory results? It is very easy for honorable members to sit in this chamber and attend to their business by telegraph and telephone and mail service. But what about the people in the backblocks, to whom the post or the telegraph or the telephone is the one source of connexion with civilization? I ask the Minister not to smile, nor to treat this matter lightly. Why should he laugh? It is no trifling subject. If he could hear the language which is used over the telephone he might be more impressed. I pity the unfortunate telephone girls if they have to listen to any of it. The language employed by disgusted subscribers reminds me of a story which the Assistant Minister for Defence (Sir Granville Ryrie) has related. He tells of a soldier who made use of some very wicked words, whereupon his General Officer Commanding (General Ryrie) remonstrated, as only a Monaro man can do. According to the Assistant Minister for Defence,

the culprit afterwards summed up the reprimand by saying, "Blimey, I think it was a dead heat between us." Knowing the Assistant Minister as I do, I feel bound to say that as the General in question happens to have been Sir Granville Ryrie, I would have been inclined to have a ticket on the General. However, I feel pretty sure that the language used by these military parties was nothing to that which is provoked among the commercial community by the state of the postal and telephonic services; and I can quite appreciate and forgive the employment of such expressions. I do not blame the telephone girls for the trouble and muddle. Theirs is not the fault. The postal and telephonic services were never so bad as they are now, and in saying that I infer, of course, that the new Postmaster-General is not wholly responsible. He will be responsible, however, if he does not endeavour to make some change. At Randwick, where I reside, I am inclined to believe that we have the worst exchange in the country. It is certainly the worst I have used.

Mr. BLAKELEY.—I will back the automatic system against you.

Mr. AUSTIN CHAPMAN.—I wish to God I had the automatic service. It would be, at any rate, a change, and could not be worse. I appeal to the Postmaster-General not to defend cases such as I have just brought to light, and not to threaten me that these country post-offices will be closed if I cannot find suitable offices and satisfactory successors to men who scorn to carry on any longer at £100 per annum. Why should he threaten to deprive the whole of the people of a busy little country town merely because one of his employees refuses any longer to be sweated? The Postmaster-General will perhaps realize, when he has travelled outside Melbourne, that the Postal Department is a great factor in the lives of the people. While Ministers may laugh and treat the matter as a joke to-day, I warn them that election time is never so very far off, and that at the next elections they may have some very hard questions to answer. I again urge the Postmaster-General to come over to Sydney. We will welcome him there. We are inclined to like him. Melbourne is not the only pebble on the beach. A Minister has no right to stick here and

imagine he knows the whole of Australia. I will not put up with letters like this, and I do not believe that country members, or indeed any honorable member, in this House will tolerate such things. The Department is in a state of awful muddle. If the Postmaster-General wants more money, he will, if he is worth his salt as an administrator, demand it of the Treasury, and the Treasury, if it knows its business, will give him more money. If the Government cannot find money to carry on the postal service, then what is money intended for?

Mr. RILEY.—The Treasurer is as much to blame as the Postmaster-General for the muddle to-day.

Mr. AUSTIN CHAPMAN.—I warn the Minister that if he closes the post-office at Bibbenluke, I will close something here. That is "fair dinkum" notice, because, after all, it is idle to suggest that a man can carry on at £100 a year, providing premises, and put in his full time earning it.

Sir JOSEPH COOK.—After a threat like that, Bibbenluke should consider its difficulties settled.

Mr. WISE.—Everybody else in this House has about half-a-dozen matters of the same kind to complain about.

Mr. AUSTIN CHAPMAN.—Then it will be shameful if they do not protest, and the Minister should be booted out of office if he tries to close a country post-office for the mere reason that he cannot get another man to carry on at a sweated rate. I hope he was joking when he said there are dozens of such cases as that of Bibbenluke. If honorable members have dozens of like complaints, they should be censured if they fail to raise considerable trouble in the effort to bring about a better state of affairs. They should not lose any opportunity, either by forcing divisions or by other means, to bring home to the Government an appreciation of the seriousness of the position in the Postmaster-General's Department.

Sitting suspended from 6.29 to 8 p.m.

Mr. WEST (East Sydney) [8.0].—No Department touches the social well-being of the community more nearly than does the Postal Department. Every ramification of our civilization is the subject of communications by medium of telephones and telegrams, and in the case of the medical profession and the fire brigade calls must be made hurriedly, and at

tended to promptly, or they are not effective. There is very little doubt that the Government have not given this portion of the service the consideration which its importance demands. From its very inception, under both State and Federal control, the practice of the Government seems to have been to select the weakest man in the Ministerial team to occupy the position of Postmaster-General. Unfortunately, many of the Ministers who have controlled the Post and Telegraph Department have had very little experience outside of some commercial pursuit or other. They have had no mechanical training, and do not understand the ramifications and necessities of the Department. They have, therefore, not taken in it that lively interest which would be taken by a Ministerial head who was more qualified to appreciate its importance. I have no desire to reflect on the late Postmaster-General (Mr. Webster), but there is little doubt that he was very vain, and that his vanity was of such a character that it often left him without any discretion whatever. He had but one idea in his control of the Department, and that was to make it pay. The records of the British Postal Department show that for many years it was run at a great loss. It is only of late years that it has shown a credit balance of £3,000,000 or £4,000,000 on its undertakings, but there is no analogy between it and the Post and Telegraph Department of the Commonwealth. Australia is a new country, and its telegraphic and telephonic communications extend over vast distances, thus causing greater expenditure to earn revenue than is the case in an older and more closely settled country like Great Britain. I am firmly of the opinion that the policy of the late Postmaster-General was an error, and did great injustice to the people of the Commonwealth. On looking through his annual report, it seems to me that he was absolutely infatuated with the idea of making his Department pay, because every branch was made by him to show a profit, although the means by which he secured that profit would not meet with the approbation of the people of Australia. In some cases he starved the Department so far as labour was concerned, and in others, instead of using the profit that was accruing to purchase materials required by the Department to give the people better service, he took great pleasure in saving it, so that he could stand

up in this House and console himself on "making the Department pay." Nobody else was pleased with that. I am sure that no other member of the Government was pleased, and that no other member of the House was satisfied, to see the Department starved. Some people seem to have the idea that the Department exists simply for them to cast slurs at, and make aspersions on, which are utterly at variance with the truth. As part of my responsibilities as a representative of the people in this Chamber, it has been to me both a duty and a pleasure to go through the various post-offices in and around Sydney, and more particularly the General Post Office, of which I saw the first stone laid in 1875. The chambers of commerce of Australia recently held their annual Inter-State conference in Sydney. Some of the delegates admitted that the Post and Telegraph Department could be run in such a manner as to meet the approbation of the commercial people, whose interests they are so keen in looking after. Other gentlemen seem to make it an annual practice to go to that conference and condemn every officer in the Department, from top to bottom. The Deputy Postmaster-General in New South Wales and the Deputy Postmaster-General of Victoria are as honorable and energetic public servants as can be found in any part of the world. They are quite the equal of any officer in any of the State services, and to abuse them is not the way to solve the question. To show that the Postal Department can be run satisfactorily, I quote the following report of remarks by Mr. A. Betts, of the Goulburn Chamber of Commerce, who has attended a great many of the annual chamber of commerce conferences—

The conference carried a resolution by Mr. A. M. Betts (Goulburn chamber) approving of every effort to reduce expenditure in any branches of the Public Service, but regretting that, in the postal and telegraphic services, efforts to attain that object had resulted in serious inconvenience; and urging that steps be taken to restore the service in all its branches to the state of efficiency that existed before the war.

That was in 1913. Honorable members have often heard me remark that the only national Parliament and Government that was any good to Australia was the one that existed from 1910 to 1913, and that opinion is emphatically indorsed by Mr. Betts's remarks, because it is evident

... given in 1913 by the Department efficient. Mr. Paxton, another man who attended the conference for a number of years taken a delight in vilifying the officers of the Department, but that is no way to get over the difficulties, and certainly is not the proper way to treat those public servants who are anxious to serve the Department and the country and to build up a telegraphic and telephonic service that will meet with the approbation of the people.

There is one thing which I should like to point out to my friends the farmers. There are members sitting on this side of the Chamber who are real farmers, while on the other side we have wealthy squatters who run the farmers, and others, with offices and brass plates in town, who set themselves up as farmers' representatives. I draw the attention of those gentlemen, and of the real farmers on this side, to the fact that many of the complaints which the farmers make about the telegraphic service are due to the fact that when the telegrams reach the city there is no one available to deliver them. I am assured that for the last fortnight in Sydney telegrams have been lying in the General Post Office in basketsful and the officers of the Department have had nobody to send out with them. They have asked for extra labour, and it has not been furnished. They cannot get boys to do the work, but even if the Government had to get returned soldiers and employ them as telegraph messengers that would be better than leaving important messages undelivered. In the city of Sydney and suburbs to-day there are 2,500 unsatisfied applications for telephones, some dating back six or seven months. In some cases the telephone wires are only 15 feet or 16 feet distant from the place where the telephone has to be put, and yet nothing is done. The honorable member for Darling (Mr. Blakeley) referred to the telephone girls. I have taken it upon myself to interview these girls, and I assure the Committee that many of them are absolutely run down in health. They are not mentally in a condition to serve the public properly. It appears that when the war broke out the late Postmaster-General asked the employees of the Department to assist him in overcoming the difficulty caused by the shortage of hands through the number of employees who went away on active service. The girls responded to that appeal in a very noble

Mr. West.

manner. The regulation says that they are to attend to 180 calls per hour, but I am assured that last week, while so many people were enjoying themselves in the beautiful city of Sydney, girls attended to as many as 360 calls in the hour. I saw last week one girl who withstood that strain for two hours, and my opinion is that she ought to be given a long rest to recover. No one in the community wants the employees of the Department to be subjected to slavery of that kind. I have some knowledge of electrical instruments, and I am convinced that the trouble arises through our not having anybody who takes a real interest in the work of the Department. All the material necessary to carry on the operations of a telephone exchange can be produced in Australia. If there are insufficient switchboards, it is useless to employ 100 girls in an exchange. Not more than one girl can work at one switchboard at a time. Switchboards can be made in Australia, yet no attempt is made to do so. The trouble is that the Post and Telegraph Department submitted an application to the Treasurer for £600,000 to be spent in providing the material necessary to carry on the telephone service, and after waiting for three or four months received an intimation that the sum of £300,000 had been paid to the credit of the Postmaster-General. But the demands of the office speedily absorbed by commitments £250,000, leaving him hardly anything to carry on with. It is quite useless for the Postmaster-General (Mr. Wise) to go to Sydney, and walk through the Department there with the officials, and say that they are very nice fellows. Let me take him through the central telephone exchange, and I will show him how the work of each girl at a switchboard has been considerably increased. This difficulty could be easily overcome. We have sufficient Queensland maple, a very good wood for the purpose; porous cells and telephone instruments and glass jars could easily be manufactured here. We have zinc in abundance. If the Government were prepared to take action the necessary brass work could be turned out at the Randwick wireless works, or by private firms in Sydney. The whole thing could be undertaken as the people of Australia want it to be carried out, but it is useless for the Department to attempt anything without

the assistance of the Treasurer, and he will not supply the necessary funds. We ought not to blackguard the officers of the Department. Blame should be placed on the right shoulders, on the shoulders of those occupying the Ministerial bench. It is time we had men in office who are more than chair warmers. I have not seen a live Minister since this Parliament commenced. If the Prime Minister (Mr. Hughes) leaves the chamber, there is no one here to answer questions. No effort is made to refute the charges that are repeatedly made against the Government. It was different in 1910 and 1913. In those years, the people were able to get something, as the business men of Sydney admit.

We have had an Economies Commission reporting on the Post and Telegraph Department. Nobody knows how it was appointed, and the various heads of the Department have not seen the Commissioners. The only recommendation we have received from them applies to people in country districts who have, unfortunately, suffered from the drought, and, having nothing to do but meditate upon their miseries, have curtailed their correspondence, from, say, fifty to sixty letters a week to half that number. These bold Commissioners have said, "We shall add to your miseries. Instead of having a mail twice a week, we consider that once a week is good enough to allow you to correspond with your friends, and detail to them all your miseries." It is a scandal the people of Australia will not put up with. If people in country districts are not prepared to pay an extra 1s., or whatever the charge may be for the delivery of a telegram, the messages received by the Department for delivery to them are thrown into a big basket in the nearest post-office, the Department accepting no further responsibility for them, praying to God that somebody may come along and deliver them. These are facts I am giving. I do not ask any one else about them. I know them for myself. I know a switchboard from a wheelbarrow. I could make a telephone communication box if necessary, but there seems to be an inherited idea in the Department that Australia can produce nothing for herself. That is the curse from which we are suffering. No one in responsibility will rise to sufficient heights to say, "If these instruments cannot be

got from abroad, we shall make them ourselves." Bad as the telephone is at present, it will be worse if we are speaking to an officer the other side of the mentioned patent rights. "Patent rights be damned. If the people of Australia want things, and patent rights prevent them, the Government are justified in making use of them in the interests of the people." Something must be done to make the telephone service what it was, even in 1913, when a Labour Government ruled this country, and so much was done for the benefit of the people. I am not a phenomenon. I am simply an individual with a lot of common sense, and a long experience of mechanical appliances. I have always been of a studious nature. If I saw anything that I did not understand, I would go to the man who did understand, and get a grasp of it. My memory has always been good. I could do to-day what I did when, as a boy, I assisted my father to fix up the first electric appliances in St. James-square. I could make the appliances of which the Department is short to-day. All these things can be made in Australia.

A Sydney firm in February of 1918 wrote to the Telephone Department asking to be connected with the automatic telephone system. The Department replied that, as the automatic system would extend from King-street north, and would soon be put in operation, it would be advisable for the firm to fit up their establishment with the automatic system, and pay a cheque of, approximately, £460 10s. as a first instalment. It intimated also, that they would very likely be required to pay a cheque of £266 1s. 5d. more, because the actual cost could not be estimated. In accordance with that notification, the firm spent its money in fitting up its establishment in readiness for the automatic system, fully expecting to be connected at a later date with the automatic exchange when it began to operate; but ultimately they were informed they could not be connected with that exchange, because its range would not come within some distance of their premises. The firm had been prepared for two years, only to be met with this rebuff. That is not the way in which the Government should carry on a Department. Let it be borne in mind that the annual number of calls the firm has in the year is 70,000, of which number

switchboard in the central exchange have been relieved by consolidation of the establishment with the auto-exchange; and the greatest trouble in a telephone exchange is at the switchboard. The central telephone exchange would also be relieved of the necessity of attending to all the calls of the firm's customers.

Extension of time granted, on motion of Mr. Austin Chapman.

Mr. WEST.—My sympathies are entirely with rural residents. I have been in portions of Australia where settlers are separated from each other by distances of from 10 to 20 miles. It is not right that their isolation should be continued. I do hope that something will be done to remove the bitter feeling which has been engendered amongst country residents consequent upon the maladministration of the Post and Telegraph Department. The blame for the starvation of that Department rests primarily on the Treasurer, whose duty it was to provide the money that was necessary for its maintenance in a high state of efficiency. We could find money for a pension to the late Chief Justice of the High Court, why can we not find it for urgently-needed extensions of telephonic and telegraphic services in country districts?

I had intended to say something about the annual report of the Postmaster-General, but I shall refrain from doing so on the present occasion beyond affirming that that document ought to be summarily burnt. Quite recently members of the Sydney Chamber of Commerce had something to say in regard to our postal administration. One gentleman said that the service provided in 1913 was a good one. Mr. J. M. Paxton, who is a general growler, stated that the condition of affairs in Sydney at the present time was worse than that which existed in any country district or in any other State of the Commonwealth. Yet the general consensus of opinion is that under proper administration the Department, whilst providing liberal facilities for country residents, can still be made a remunerative one. Under existing conditions it often happens that a man who despatches a wire to a person in another State advising him of

his intended departure for that State arrives at his destination prior to the delivery of his message. This happened in my own case quite recently. I hope that the Postmaster-General will initiate reforms of the character I have indicated, and thus prove himself to be an active Minister, and not merely a chair-warmer.

Mr. PROWSE (Swap) [8.12].—So far as these Estimates are concerned they really represent so much spilled milk. Supply was voted from time to time during the last Parliament, and nearly all the money has been spent, so that there is not much practical good to be derived from closing the door after the steed has gone. The present occasion, however, affords us an opportunity to ventilate some real grievances, and to express the hope that the Estimates for the next financial year will be submitted for our consideration at a very much earlier stage than have these Estimates.

During this debate reference has been made to many works, works upon which money could be profitably expended. I allude to undertakings of a reproductive character, which would assist in the development of the Commonwealth. The absence of shipping facilities has already been touched upon. The outlying portions of Australia have been seriously handicapped by reason of the absence of these facilities. Tasmania and Queensland are complaining bitterly in this connexion, and Western Australia occupies a still more grievous position. Upon the Fremantle wharf to-day there are more than 5,000 tons of chaff which the eastern States require. But there are no ships by which it can be brought here, and yet nobody seems to exhibit anxiety on that account. It is true that we have a Commonwealth fleet of vessels trading on the high seas. Notwithstanding the money they are earning in that trade, I do not know whether it is a wise policy to utilize them in the way they are being utilized, especially in view of the fact that at present we are quite unable to get the hard-won produce of our people to market. The position is exceedingly disheartening. In Western Australia there are thousands and thousands of cases of fruit which cannot be shipped for the same reason. These things may appear to be of secondary importance to

some honorable members, but I do hope that all political parties in this House will unite in an endeavour to co-ordinate and advance the best interests of Australia as a whole.

I recognise that a degree of parochialism is being exhibited by certain newspapers in the different capitals which try to belittle States like Western Australia. I am sure that honorable members, no matter on what side of the House they sit, will be proud to learn that Western Australia this year has played her part by producing more wheat than has any other State of the Commonwealth. It is by these individual State efforts that we make the Commonwealth strong, and I am sorry to read the narrow parochial sentiments at times expressed by some of the leading journals of Australia.

Reference has been made to the higher freights and fares that are to apply to our coastal steamers now that they have passed from the control of the Government. I was rather pleased to hear the remarks made on this subject by the Leader of the Opposition (Mr. Tudor), and the reply by the Prime Minister (Mr. Hughes). We had definite evidence that increased rates were now applying, and also the reason for them. It seems to me that whilst the public are paying these increased charges, the higher cost of living and increased wages have to some extent necessitated them. I dare say that method will go on until we learn something of that beautiful spirit of cohesion and understanding as between parties to which the Prime Minister referred. I am quite satisfied that honorable members of the extreme Opposition will realize, as I do, that by departing from the honoured principle of eight hours' labour a day, and adopting a forty-four hours, or worse still, a forty hours week, the workers of Australia are making a great mistake. This is not the time to bring such a policy into effect, and when people do so they cannot complain of the higher cost of freights or anything else. It is well that we should clearly understand each other. If ever there was a time in the history of Australia when we should all pull together—when we should all work eight hours a day, and work as well as we can during that time—it is now, when Australia has upon her a great burden of debt. It is utter hypocrisy to speak of the high cost

of living and at the same time to waste—for it is a wastage—four hours per week. A reduction of four hours per week in the working hours of Australia, calculated at 1s. 3d. per hour, means a loss of over £16,000,000 per annum. That is the value thus thrown to the winds.

MR. MAKIN.—But employment cannot now be found for all who are here.

MR. PROWSE.—And by such a policy employment will be found for still less, since under it Australia cannot compete with other parts of the world.

MR. MAKIN.—The conditions of our citizens should be the first consideration.

MR. PROWSE.—Honorable members, no matter on which side of the House they sit, will best consider the interests of the citizens by advocating honest toil.

Much has been said during this debate on the question of postal facilities. I have been bending my energies since I entered this House to the securing of increased postal facilities, but so far nothing whatever has been done by the Department for the rural population of the State of which I am a representative. I have received to-day from the Postmaster-General's Department two communications similar to those which have been referred to by the honorable member for Eden-Monaro (Mr. Austin Chapman). I do not know to what extent they concern me. It is evidently intended that I shall shortly be Postmaster-General. I have received letters from the Department concerning matters on which I have not communicated with it. I presume these letters are sent as matters of courtesy. In the first of them, the Deputy Postmaster-General of Western Australia writes—

Sir,—I beg to inform you that Mrs. C. Connolly, the mail receiver at No Man's Lake, has tendered her resignation, and ceased duty as from the 26th March last. Endeavours have been made to obtain a suitable person to take over the office, but without success, and in the circumstances it has been found necessary to close the office until such time as a successor may be found.

In accordance with the usual procedure in such cases, I shall be glad if you will kindly inform those interested in the matter, in order that a suitable person may be nominated to carry out the duties under the prescribed conditions, as otherwise it will not be possible to continue the present facilities.

Is it my duty to inform the people of Western Australia of any delinquency or

otherwise on the part of the Postmaster-General's Department? The persons interested in this particular case are doubtless already aware of the facts, if the post-office has been of any use to them. I have another letter of a similar nature, but will not weary the Committee by reading it.

Sir ROBERT BEST.—These letters are sent to honorable members as a matter of courtesy.

Mr. PROWSE.—I have admitted that; but it does not meet the case. It is absolutely necessary that the people of the outback country should enjoy reasonable postal facilities if they are to remain there. There are too few people in the backblocks to-day, and it is the bounden duty of the Department to exercise itself to the fullest extent in the giving of proper facilities. I have had communication after communication from the Deputy Postmaster-General of Western Australia, as well as from the Postmaster-General, and in every one of them it is said that since the Commonwealth is not at the high-water mark of finance, the guarantee system must apply. If we do not in some way or other encourage settlement in the rural parts of Australia, how can we expect people to remain there? How can we expect the great stream of population to the centralized parts of the Commonwealth to be discontinued? When the Government state that they are going to offer greater facilities to residents of country districts and at the same time turn down practically every application, they do not seem to me to show much evidence of sincerity. I hope that the new regulations will enable the Minister to give some facilities to those who so sadly need them. If a postmistress retired from the management of an office in one of our chief centres, what policy would the Department pursue? The position could be easily filled, and I do not think the Department would wait for nominations from those willing to supply the need. Here there are four or five deliveries per day, as against one per week or one every fortnight in some country districts. People cannot be expected to live in these remote parts unless they have greater facilities than are afforded them to-day. The Department shows a profit of over £500,000 on what should be only a service to the community.

Mr. AUSTIN CHAPMAN.—How many of these offices are being closed in the electorate of Gippsland?

Mr. WISE.—A great many; the same rule applies all over Australia.

Mr. PROWSE.—I had intended to say, when dealing with the question of shipping freights, that the East-West railway, built at such tremendous and extravagant cost, could be better utilized than at present. Nowadays one has to apply for a seat in the Port Augusta to Kalgoorlie express about three weeks in advance. Obviously, if additional rolling stock were supplied the line would go nearer meeting the expenses incurred in connexion with it. Such a policy would also bring about a little healthy competition with the shipping companies trading on the coast, and would have a salutary effect in the matter of fares. I hope that some consideration will be given to the running of a better service on the transcontinental line than exists to-day.

It may be the intention of the Committee now to consider in detail the Estimates before us. In my view, it would be useless to do so, since they relate to a financial year which has almost expired. If the Government has an eye definitely fixed upon the work of the Economies Commission—if it is taking the fullest advantage of the knowledge and information which that Commission is supplying—I think that the best service that this House could render would be to carefully consider the Estimates for the next financial year when they are brought down. I hope they will be introduced early in the financial year, and that we shall deal with them in the light of the report of the Economies Commission.

There are many other matters of greater importance in the circumstances which we are notified have to be considered. A reasonable recess will, I hope, be allowed on the occasion of the visit of the Prince of Wales to Australia. If we are to consider the Tariff—and I understand that it is estimated to occupy our attention for about nine months—the sooner we enter upon the work the better, because there are items in the schedule which, in many respects, are more likely to retard than to make for, the progress of Australia.

Mr. HECTOR LAMOND (Illawarra) [8.57].—I was very sorry to hear the Postmaster-General (Mr. Wise) interject while the honorable member for Swan (Mr. Prowse) was speaking that in his own electorate the reduction of postal facilities was being continued. I was under the impression that the policy of the Government to-day was to restore some of the facilities taken away during the last two or three years, and that the system of cutting off supplies throughout the country districts had come to an end.

Mr. WISE.—I made that interjection in answer to a statement made by the honorable member for Swan that offices had been closed where no one could be obtained to carry them on.

Mr. HECTOR LAMOND.—That qualification gives me a little relief. The Postal Service is the greatest sweating institution that we have in Australia to-day. There is hardly an official, not on the Civil Service list, in country districts who is paid a decent wage for the work he does for the Department.

Mr. PROWSE.—Ten shillings per week in some cases.

Mr. HECTOR LAMOND.—I do not know what the position is in the case mentioned by the honorable member, but in most instances people are asked to give a good deal of their time to the service of the Department in return for very little money. There are not many people anxious to take up that sort of work at the price offered by the Department.

We constantly hear of the increased cost of living, and it certainly is a living fact that has to be met. It is not to be got over, however, by denouncing the profiteers, as if nothing more remained to be done. The problem before us is not nearly so easy of solution. Throughout the world, as the result of the great war, the position of the working classes, who have been manufacturing for the Australian market, has been improved. They are better paid to-day than they were before the war. No one wants them to go back to the sweating conditions of pre-war times, and even if any one did, they would not. Social unrest is not confined to any one country. It is world-wide. It represents the demand of the workers, who have been underpaid and sweated in the past, for a fairer deal in the days be-

fore them. We cannot look for any considerable decrease in the price of many commodities that come to Australia from other lands, because to-day the wages paid in Australia, which used to be higher than in other parts of the world, are in some cases lower than those paid for similar work in other countries. We have to look at a new industrial world, in which the cost of production is higher than it was before the war, and in which it will continue to be higher. Despite these facts, we hear honorable members of the Corner party—I do not know if the honorable member for Swan is one of them—talking about the enormous economies that ought to be effected in the expenditure of the Commonwealth. The Estimates are now before them, and it is the duty of these honorable members to point to the items of expenditure which they think should be curtailed. They are quite prepared to reduce expenditure in other electorates, but when it is a matter of increased postal or shipping facilities for Western Australia, or extending a railway service across the continent, hundreds of thousands of pounds are needed. What applies to Western Australia applies to the whole Commonwealth. If we require that the Post Office shall be made thoroughly efficient, we must realize that the expenditure to which we have been accustomed is quite inadequate.

In Melbourne we are in the unfortunate position of being sojourners in other people's houses, and are under the influence of the Victorian press—the most narrow-minded, short-sighted, niggardly, and un-Australian press in Australia; a press that thinks it is doing a service to the Commonwealth by devoting its space to the preaching of miserable economies in the little things, while neglecting entirely the need for the development of the greater things to which this Parliament ought to be directing its attention. I have not had an opportunity of seeing how much money is going to be spent upon the Federal Capital, but I hope that a determined effort will be made to get away from the conditions that surround us here, into a Federal atmosphere in which members will develop an Australian outlook, and come to understand that in their legislative capacity they are not residents of one State only, but are citizens of Australia. We have inherited the narrow financial outlook

of the first Treasurer. That has been continued all along the line, as though the cutting off of something essential to the progress of the country was effecting true economy. Any one who peers into the future must come to the conclusion that the withholding of money at this particular time will do an injury to the Commonwealth. This country is crying out for development on every hand, but the suggestion that this development is to be achieved by the workers submitting to terms and conditions of employment not acceptable to them should receive no indorsement in this House.

Mr. RILEY.—Long hours, for instance?

Mr. HECTOR LAMOND.—The gentlemen who hold those views will have to abandon them, for the workers will not accept them. We have to realize that Australia is one of the most advanced nations in the world to-day, and that the people here are living under better conditions than are enjoyed in any other country. At the same time we must bear in mind that modern industrial conditions are such that no man would care to be obliged to follow some occupations for even forty hours a week. If those who condemn men because they desire shorter hours had themselves to work even the forty-hour week in such occupation, they would quickly change their view-point. Imagine the case of a boy I have in mind in Goulburn, apprenticed to the business of fixing heels to shoes. His services were obtained as an apprentice at a cheaper rate, and his particular job was just to feed into a machine pieces of leather, or paper, or whatever the material was that went into a boot heel. The machine fixed the heel to the shoe. Put a man on to that job for forty-eight hours, and see whether he would not change his opinion as to whether the hours were too long or not. I do not think that the gentlemen who turn their attention to this phase of industrialism are doing their best to understand the industrial conditions of the people.

What Australia wants is more production, and in order to achieve this end it is necessary that those who control our industries should introduce more scientific management. One can see signs of waste on every hand, and if we are to advance with the rest of the world, and hold our own, we must do so at a much

accelerated pace, which is possible only by the introduction of more scientific control of our various industries. We should regard the development of this country as an investment. Money spent by the Commonwealth Government say, in railway construction to Western Australia, or in increased shipping facilities, or in extending our postal services to the more remote country districts, is really foundational work upon which the development of this country must rest. In this way only can we expect to substantially increase our population. I do not give my adhesion to any policy of false economy, which, in effect, means the withholding of money essential to the development and progress of the Commonwealth.

To-day the Prime Minister (Mr. Hughes) mentioned the position of the men who are doing our most important departmental work. Take the case of the Under Treasurer, a gentleman upon whose shoulders rests the entire financial burden of the Commonwealth. Every institution of this country would be affected by any mistake made by him due, it may be, to lack of ability, inexperience, or faulty advice, which might cost the Government hundreds of thousands, if not millions of pounds. He is called upon at times to discuss most important financial matters with the representatives of great financial institutions, and at such gatherings he meets men like the manager of the Bank of New South Wales, who draws a salary of £5,000 a year; and the managers of other financial institutions, none of whom is paid less than three times as much as he gets from the Commonwealth. Yet he has to arbitrate between them, and hold the scales evenly between all parties. The marvel is that the Government are able to command the services of such able men as are to be found in the Commonwealth Public Service in view of the fact that the man who "runs" a particular brand of chewing gum gets about five times as much salary as our Under Treasurer. We cannot expect men to continue for ever rendering faithful service from purely patriotic motives. I am entirely in sympathy with the suggestion of the Prime Minister that salaries should be improved, but it is the duty of the Government to submit some concrete proposal. The opportunity has been theirs for years, but so far nothing has been done. I believe in paying men

adequately for the work they do, because the future of the Commonwealth depends entirely upon the efficient administration of our great public Departments. The Prime Minister rightly said that the burden of government is immensely greater than it was at the inauguration of the Commonwealth. We ought to realize this, and see that at the right hand of every Minister there are men competent in every respect to advise Ministers upon the various details of administration.

I hope we shall soon have some enlightened policy with regard to the Postal Department, particularly. We want, I think, at least another £1,000,000 or £1,500,000 to be made available for expenditure in order to render it thoroughly efficient. Every year that this niggardly policy of denial is pursued means an accumulation of the difficulties that will confront the man who eventually must attempt to place the Department on a satisfactory footing.

Mr. MAKIN.—Why is not the money made available out of the surplus?

Mr. HECTOR LAMOND.—The responsibility for that rests upon this Parliament. I do not believe in the policy of expecting the Postal Department to show a surplus. That is one of the things which we cannot defend. The payment into the general revenue of a surplus earned by the Postal Department is entirely repugnant to my idea of the Public Service, and I do not think it should be continued. We cannot expect the postal services in remote country districts to be revenue producing. If we do, then we should be prepared for heavier charges upon some of our metropolitan services.

With regard to the telephone service, I believe that very many of the big commercial concerns do not give it a fair chance, and one of the worst offenders in this respect is our own Cockatoo Island Dockyard. Any honorable member who has had occasion to ring up the dock must consider himself fortunate if he secures connexion in anything like a reasonable time. Apparently, the telephone at that great institution is in charge of a boy. Any one who has had experience of business management must realize that the telephone service is one of the most important departments, and therefore it should be in charge of competent attendants, who should always be on duty. Another

great offender in New South Wales is the Railway Department. On occasions, it has taken me half-an-hour to raise the railway exchange in Sydney, owing entirely to the fact that it is not efficiently controlled. Business firms who have placed girls trained in the telephone department in charge of their telephonic services find that most causes of complaint have disappeared. No one can expect a regular and continuous service to be maintained without a competent staff adequately paid for the work. With regard to materials, I sympathize with the Postmaster-General, but like the honorable member for East Sydney (Mr. West), I doubt if a determined effort has been made to get materials in Australia, and I trust that the new Postmaster-General will continue his investigations in regard to this matter.

Mr. GABB (Angas) [9.15].—The Prime Minister (Mr. Hughes) referred to the question of travelling expenses for Ministers, and asked honorable members to express their opinions thereon. The statement of the right honorable gentleman indicates that the spirit of industrial unrest has extended even to Ministers of the Crown. I intend to have the courage of my opinions by stating outright that I am opposed to Ministers taking upon themselves the right to draw travelling allowances varying from £2 per day for the Prime Minister to £1 10s. for other Ministers. I can conceive of only two grounds upon which such a claim can be made, firstly, that Ministers are underpaid, and therefore it is absolutely necessary to increase their remuneration; and, secondly, that if we do not agree to pay them the increase it will be impossible to place in their position anybody as capable. Nobody will argue that a Minister who is receiving between £4 and £5 per day is in such necessitous circumstances that he must have a travelling allowance of from £1 10s. to £2 per day.

Mr. AUSTIN CHAPMAN.—If he travels on public business, should he not have his out-of-pocket expenses recouped?

Mr. GABB.—Every man who accepts a Ministerial position does so with a full knowledge of the obligations of his office.

Mr. HECTOR LAMOND.—That argument might be applied to every man who asked for an increase in salary.

Mr. GABB.—The difference is that, whereas Ministers seem to intend to take this extra allowance, other employees have to ask for it from somebody else. There are men employed in this House who are receiving no more per week than Ministers are receiving per day. Some are receiving not more than £3 per week, and before the wrongs of the lower-paid servants of Parliament are righted Ministers of the Crown have the brazen effrontery to request an increase in their emoluments. Knowing the conditions of employment of some of the servants of Parliament, and of postmen and other public officers, I am disgusted by the claim that Ministers are making.

Mr. HECTOR LAMOND.—Those other officers knew what the job was when they accepted it.

Mr. GABB.—Yes, but if they think that they are entitled to an increase in pay, and dare to put their hands into the public coffers, they will be charged with robbery. But because Ministers are on a higher level of public employment they are to be permitted to do this act. I am disgusted that the Prime Minister should make this plea on behalf of Ministers when he knows the conditions of the so-called lower strata of the Public Service. No doubt those Ministers who were recently in Europe on public business drew travelling expenses for the whole of the time, including the period for which they were guests of the British Government. It is useless for us to pretend to the public that we who are members of this Parliament are underpaid. The salary is not the only return which Ministers and members receive for their services; there is the social prestige which attaches to big public positions. It is unnecessary to pay this increase to Ministers, because if they will not do the work for the present rate of pay, others equally as good will be found. The payment is not justified by the pecuniary circumstances of Ministers. Further, the proposal is unjust at this time, when so many members of the Public Service, are underpaid. The claims made by members on this side on behalf of the lower paid members of the Public Service have been greeted almost with smiles of derision by

honorable members opposite. Yet the honorable member for Eden-Monaro (Mr. Austin Chapman) mentioned tonight the underpayment of a postal official, and the honorable member for Illawarra (Mr. Hector Lamond) said that the majority of civil servants in the lower strata were not receiving a decent wage.

Mr. HECTOR LAMOND.—That is not what I said.

Mr. GABB.—That, in effect, is what the honorable member said. My third objection to the proposal made by the Prime Minister is that it is unwise. Why do we enter Parliament? Is it for what we can get out of the position? Are we here merely for the sake of the £600 per annum? I hope that is not true of any of us. Whilst the salary of £600 is very acceptable to me, I entered this House with other motives. Surely some room is to be allowed for the play of patriotism, even on the part of Ministers of the Crown. The late Honorable Tom Price, of South Australia, said to a Methodist minister on one occasion, "I consider that, as a member of the Cabinet, I have as much a call from the Almighty for public service as you have in your ministry." Is there to be no scope for true patriotism, even by Ministers who have said so much about patriotism, and have won their return to the Treasury bench by almost prostituting that word? I am sure that some of the Ministers are patriotic enough to do their public duties, even at some sacrifice of monetary advantage. We should have regard to the position we occupy as trustees for the community; on the hustings we promised to do our best for the welfare of the constituency, the State, and the Commonwealth. Another reason why I consider the proposed payments unwise is that it offers encouragement to direct action. If Ministers, because they think they are entitled to some extra remuneration, take the amount from the Treasury, in what respect are they different from the marine engineers, except that the latter caused a good deal of inconvenience to the general public? In each case, it is a resort to direct action.

Mr. AUSTIN CHAPMAN.—Does the honorable member say that direct action is unwise?

Mr. GABB.—I am not prepared to answer, at this stage, whether or not direct action in the industrial sphere is unwise; but the honorable member, by his support of the Government in this matter, indicates his belief that direct action is wise. The Government are merely saying to the direct-actionists, "We are applying direct action in our own case; if you do the same, we cannot blame you. What is sauce for the goose is sauce for the gander." This proposal is another manifestation of the spirit of grab-all. It is evident in many forms, from profiteering to the excessive demands made on the public Treasury, referred to by the honorable member for Swan (Mr. Prowse). That spirit, wherever it is found, is an unhealthy sign. It is the duty of the Ministry, instead of seeking to grab more for themselves whenever the opportunity offers, to set to the community an example of self-sacrifice. Their proposal is a discouragement of political action. I am a firm believer in political action, and I should be sorry to see in Australia a resort to any other method. I am jealous of the prestige of our political institutions, but I am afraid that if this example of "grab" is set by the Ministry, it will extend further, and, by undermining the faith of the general public in this portion of the political machine, will do a great deal of harm. Another objection that I have is to the way in which the proposal has been introduced, coupled, as it is, with a request for increases of salary to heads of public Departments. I may be ungenerous in thinking that this is a matter of "one for you and one for us"; but I have an idea that the proposal for an increase in Ministers' travelling allowances is linked up with an underlying understanding for an increase to private members afterwards.

Mr. MATHEWS.—I hope it is so.

Mr. GABB.—I hope it is not so; but I notice that, with the exception of the honorable member for Illawarra (Mr. Hector Lamond), every honorable member has been silent in this regard; this seems significant. If there is any covert understanding that, first, Ministers shall get increased travelling allowances, and then private members shall have increased salaries, it is unworthy of this Parliament; and I have not shut my eyes and ears in the last few weeks.

I cannot sit down without referring to the Postal Department; and I must say that in the district I represent, settlers in many parts are placed at a great disadvantage in regard to the guarantees and so forth required from them in the case of telephone extensions. I hope that settlers in the rural districts will be met in a more generous spirit in this regard.

Mr. FENTON (Maribyrnong) [9.32]. I understand that one reason the Estimates have been introduced now is that they are long overdue, and ought to have been passed by a Parliament that has expired. That, of course, was impossible, and we have had no opportunity to consider them. In another two and a half months all the money which we are now asked to vote will, I presume, have been spent; but, all the same, I did anticipate that the Acting Treasurer (Sir Joseph Cook) would give us something in the nature of a preliminary financial statement, showing exactly how we stand. Ministers and their supporters may excuse the absence of such a statement on the ground that the Treasurer (Mr. Watt), prior to his departure for the other side of the world, did make one; but I think there is need for another at the present time.

I agree with all the remarks that have been made about the postal administration, and I am particularly in favour of the idea expressed by the honorable member for Illawarra (Mr. Hector Lamond). In my opinion, and I believe it is the opinion of a majority of honorable members, if we are to make Australia more prosperous and a better revenue-producing proposition, we must increase the expenditure necessary to provide extended postal facilities. I have long held the idea, that so long as the Postal Department and the Railway Departments of the States perform the function of developing the country, we need not care whether they are carried on at a loss or not, because, later, revenue is bound to flow in. As the honorable member for Illawarra says, the longer we postpone this development the longer we put off the day when Australia will be a self-contained country. Some twelve years ago, a naturalized Danish farmer of Gippsland, who was travelling in America, told me in a letter that he had been very pleased to note that in quite

a number of farming communities the farmers were nearly all connected by telephone. Twelve years have elapsed, and although we profess to be a progressive people, we are no further forward, or very little further, than we were then in this regard. I am a city member, who, however, views the Commonwealth as a whole; and I realize that, if the cities are to be prosperous, they must be backed up by a numerous and sturdy yeomanry; this we cannot have unless the country is given, at any rate, some of the facilities enjoyed by the city people. I am sure I speak, not only for myself, but for other city members when I say that we are prepared to do everything in our power to assist country residents to obtain telephonic and other conveniences of the kind.

The Committee does not seem to be in the humour for discussion. I was hopeful that honorable members, especially those of the Corner or Country party, would avail themselves of this opportunity to launch forth proposals showing exactly where they stand in regard to the financial situation of to-day; but beyond the few general observations of the honorable member for Swan (Mr. Prowse) they, apparently, prefer to remain silent. Personally, I had intended to discuss the sugar question, because I am not prepared to accept the Prime Minister's statement as the last word on the matter. The Inter-State Commission, which was appointed by the present Prime Minister (Mr. Hughes) and his supporters, devoted considerable time to a thorough investigation all over Australia into the sugar industry, up to its refining stage, so far as the Colonial Sugar Refining Company would allow the latter. The Commissioners—Mr. Piddington, Mr. Lockyer, and Mr. Mills—are well known as having rendered admirable service; two of them in the Public Service, and the third as a gentleman of legal learning and considerable experience, economic and otherwise. They were purposely constituted a Royal Commission by the Government in order to inquire into every aspect of the question; but we find that the Prime Minister, with a snap of the finger, dismisses their conclusions. In effect, the right honorable gentleman tells us that he has met various representatives of the industry, and has

come to a certain arrangement with them, and that this is better than the conclusions of all the Commissions in the world.

Mr. CORSER.—Circumstances altered in regard to the price of sugar from overseas.

Mr. FENTON.—The Commissioners were appointed in 1919, and, after months of inquiry, a report, dated 17th March of this year, was presented, containing their mature judgment. So far as the price of sugar is concerned, we find a paragraph in their report to the effect that, after taking all the facts into consideration, so far as they had been able to investigate them, they thought it wise to grant an increase in the price of raw sugar from £21 to £22.

Mr. CORSER.—It cannot be bought.

Mr. FENTON.—The honorable member is specially "touchy" on the sugar question. If he has a satisfactory reply to give me, I hope he will rise in the Committee and give it.

Sir JOSEPH COOK.—I hope he will not!

Mr. FENTON.—In that interjection we have an expression of opinion from the Ministerial bench—the Government desire as little discussion as possible on the question. If the honorable member for Wide Bay (Mr. Corser) is able to show that what I have said is incorrect, I shall be prepared to admit my error. I only wish, however, that his sympathies would extend from cane sugar to beet sugar. It seems to me strange, as I say, that the Prime Minister should be prepared, with a wave of the hand, to sweep away the conclusions of a Royal Commission appointed by himself; and, under the circumstances, I should like to deal with what may be termed the last phase of the sugar industry, namely, the refining process. The Royal Commission, in their report, complain that when they desired to find out what were the profits of the Colonial Sugar Refining Company, and what were the various incomes paid in connexion with the company's operations, the manager of the company declined to give the information. The Commission were thus forced, by the refusal to disclose certain matters, to abandon the idea of presenting any conclusion or recommendation regarding them. They complain that they were obliged to arrive at some conclusion in connexion with the refining of sugar, and that valuable evidence on the subject which they sought was not forthcoming.

Mr. Fenton.

Mr. CORSER.—What evidence was not forthcoming?

Mr. FENTON.—If the honorable member presses the question, I must quote the portion of the report to which I refer. He will find that in two or three places in their report the members of the Commission complain that they were unable to obtain the information they desired from the Colonial Sugar Refining Company.

Mr. CORSER.—Was it not information as to how they could manufacture raw sugar at a price which would enable them to give more for the cane than other factories gave?

Mr. FENTON.—I will read for the honorable member what the Commissioners say—

With regard to the Colonial Sugar Refining Company, that investigation should include an examination of the actual capital used in the company's business in Australia, more particularly in view of the evidence given by the general manager on 15th December, 1919, which suggests that a very large writing up of assets occurred in connexion with the nominal separation of the Australian business from the business in New Zealand and Fiji. Such an examination being within the terms of reference, and being essential in order that the Government may be placed in a position to ascertain what is a fair amount to allow for refining and for managing services, including profit, would have been made by the Commission, but the company's refusal to supply information has so far prevented the Commission from dealing with the matter.

In at least two other paragraphs of their report they complain that they were not able to obtain information they desired, and which, in the opinion of the chairman of the Commission, who is a legal gentleman, was covered by the commission issued to them. He says that there was included in it power to examine witnesses from the Colonial Sugar Refining Company in order to elicit information which was asked for but was not forthcoming. The sugar question cannot possibly remain in the very unsatisfactory position in which it is to-day. If we are to depend upon the production of sugar from sugar cane, we must expect years of shortage, such as we have experienced in the past. In only two years in ten have we produced enough sugar in Australia to supply the local demand.

Mr. CORSER.—Because there has not been sufficient encouragement given to the industry.

Mr. FENTON.—I am in favour of giving every encouragement to the sugar industry, as well as to every other Australian industry.

Sir JOSEPH COOK.—So long as the honorable member has not got to pay for it.

Mr. FENTON.—No; I say that every section of the community should be treated fairly. The cane-grower, the mill-owner, and the sugar refiner are as much entitled to fair consideration as are the persons concerned in any other industry. I feel that I would not be consistent in asking for a fair wage for the ordinary artisan if I were not prepared to concede the same fair treatment to all persons engaged in any industry. It is, however, a well-known fact that the Colonial Sugar Refining Company represents one of the biggest monopolies in Australia, and one of the best financial propositions in the Commonwealth. We know that, in years past, and during the war, this company made handsome profits.

Sir JOSEPH COOK.—I should think it is one of the best managed companies in the world.

Mr. FENTON.—I do not doubt for a moment that it is managed exceedingly well in the interests of its shareholders, but whether that is in the best interests of the people of Australia or not is another matter. I direct attention to the fact that the Commissioners submit proposals which have something permanent about them, whilst there is nothing permanent in the arrangement made by the Prime Minister. They recommend a Board of Control for the sugar industry. I am not going to say whether I agree with that or not; but their main purpose in the recommendations they make is to secure that the sugar industry of Australia shall be placed on such a footing that all engaged in it may, as well as the consumer, be put into a better position than they are in to-day. I know that the honorable member for Wide Bay (Mr. Corser) says that the cane-growers are not getting a fair price for their cane. The mill-owner says that he is not getting sufficient for crushing the cane. I do not know that there is any complaint from the refiners. I believe they have done remarkably well. They come next to the consumer in connexion with the industry, and it appears to me that they are the people who have done best out of it. In my opinion, there should

be some combination of those interested in the three phases of the industry—the growing of the cane, the milling of it, and the refining of the sugar. If the industry were conducted as, for instance, the butter industry is conducted, those concerned in it would be interested in every phase of it, from the planting of the cane to the refining of the sugar, and if the conduct of one operation did not pay too well, it would be possible for them to make up the loss by the more successful conduct of another phase of the industry. While we have three different people dipping, so to speak, into the sugar industry treasury, we shall always have difficulties in connexion with it. I say that the time has arrived for a direct nationalization of the industry or for its conduct on the co-operative principle, from the growing of the cane to the refining of the sugar, so that in that way the producer may be brought nearer to the consumer.

Mr. CORSER.—Was not a Royal Commission appointed some time ago by a Labour Government for the purpose of considering that matter, and what was their report?

Mr. FENTON.—I am not talking about the Royal Commission that was appointed seven or eight years ago, but of the Commission that made the latest investigation in connexion with the industry, and was not able to deal as it desired with the refining section, because the gentlemen who could have given certain information to the Commissioners refused to give it.

The great evil in our community to-day is that there are too many people between the producer and the consumer. The members of the Country party have made that their cry, and they are right in doing so. When it was suggested that the butter industry could be conducted on the co-operative principle, people said that the man on the farm who milked the cows and took his cans of cream to the factory would not be capable of managing the business. But the farmers had money, and were able to pay experts to carry on the business, just as experts are employed to manage such businesses as those of Dalgety and Co. and the New Zealand Loan and Mortgage Co. The butter producers did that, and what they could do

might just as easily be done in connexion with the sugar industry.

Mr. CORSER.—The honorable member is wrong there.

Mr. FENTON.—I am not wrong. I remind the honorable member that the customers of the sugar industry are the people of Australia, whilst in normal seasons half our production of butter has to be taken overseas to find customers. It was said that when the farmers representative went to Tooley-street he would be turned upside down, but that was not found to be the case.

Mr. CORSER.—The butter producers compete with white labour in other countries, but the Australasian producers of sugar do not compete with white labour.

Mr. FENTON.—Australia does not now produce enough sugar to supply its own wants, and I shall not rest satisfied until she does. If financial aid be needed by the sugar-producing industry, Parliament should grant it. Other industries, especially manufacturing industries, have been assisted with duties or bounties, and, if necessary, the sugar-producing industry should be similarly helped. When the sugar industry, like the butter industry, is controlled by the producers themselves, conditions will be better. So far as practicable, we should insure a sufficient supply of sugar either from cane or from beet, or from both, to meet Australia's requirements. The production of sugar should be purely an Australian industry. We should produce all the sugar we need. If we do that, there will be no outside competition to fear. Victoria has experimented with the production of beet sugar, and the Commonwealth Government should give as much encouragement to the production of sugar from beet as to its production from cane, if the people of Victoria, South Australia, and New South Wales are willing to devote their energies to the growing of beet. I am glad that the Government of this State is making a move for the assistance of the beet-growers, and I hope that the Commonwealth Government will, if approached, lend them its assistance, too. It surprises me that Government supporters should be satisfied with the statement of the Prime Minister regarding the arrangement that has been made, and

should altogether ignore the recommendations of the Inter-State Commissioners, who investigated the conditions under which sugar is produced in this country. If we continue persistently to disregard the reports of the Inter-State Commissioners, we shall be paying them high salaries for nothing. They have investigated and reported upon the cost of clothing and many other commodities, but nothing has been done to give effect to their recommendations, and I dare say they are beginning to feel that their office is a sinecure. I do not claim to be a sugar expert, and I do not know much about the world's sugar production, but a real expert has declared that in the near future the production of sugar will be as great as, if not greater, than it was just before the war. I ask, therefore, whether the agreement for three years regarding the price of sugar which has just been entered into is capable of being varied or altered should the value of sugar outside Australia drop within the next six or nine months.

Mr. GROOM. — On whose opinion do you base the statement that there will shortly be a great increase in the production of sugar?

Mr. FENTON.—That was the opinion of Mr. Horne, a world's expert. The statement was contributed to one of the leading producing journals, and quoted by the Inter-State Commission. He mentioned that the war prevented the growing of beet in many European countries, Germany, for instance. In 1912-13 Germany produced 8,500,000 tons of sugar.

Mr. GROOM. — Does the expert you quote say how long it will be before Germany will be able to supply herself with sugar?

Mr. FENTON.—He predicts that within the near future there will be a very considerable production of beet sugar, and that the world's sugar supplies will be as large as even, if they do not exceed, the pre-war supplies. There has been a shortage of 4,500,000 tons of beet sugar per annum during the war. So far as Germany is concerned, we know, of course, that the war has reduced the male population of that country, but a considerable proportion of the labour in its rural districts is done by women. Germany, if not this year, certainly next

year, will be back to her normal production.

Mr. CORSER.—Impossible.

Mr. FENTON.—Denmark's production of beet sugar is increasing by leaps and bounds.

The TEMPORARY CHAIRMAN (Mr. Fleming).—The honorable member's time has expired.

Mr. MATHEWS (Melbourne Ports) [10.3].—The last two speakers have objected to the rise in the price of sugar. I shall not refer to that matter now, but may do so later. My object in rising is to say a few words about arbitration and direct action. Some of the new members may not be aware that I have on previous occasions informed this Chamber that I am a direct actionist. I belong to a party that believes in political action. For the past eighteen or nineteen years I have suppressed my own personal opinions and advocated arbitration, but I consider that a strong potion of direct action is very serviceable now and again, and has been proved so by the workers. You cannot have both arbitration and direct action, but under the present arbitration law you must expect more direct action than arbitration. The unions of Australia have expended very large sums of money first in organizing in each State, and, then, in bringing about a Federal organization. For some time it was difficult to get State unions to federate, because many of them held that they could get better conditions from the State Arbitration Courts and Wages Boards than would be obtainable from the Commonwealth Arbitration Court. It was less expensive, it was not so much trouble, and that is one reason why our Arbitration Court has not been improved to any considerable extent since its inception. There will always be trouble and direct action while conditions remain as at present. The Prime Minister (Mr. Hughes) admitted to-day, as I have heard him before, that the Arbitration and Conciliation Act must be amended before we can hope to be successful. May I give one case that will prove conclusively to any individual who considers the matter at all, how unfair and foolish the present Act is. Before a union can approach the Court it has to prove that a dispute exists. It is no use going to

the Court and saying there is a dispute, because considerable argument will naturally ensue as to whether a dispute does exist. Instances could be cited where cases have been rejected because it could not be proved to the satisfaction of the Court that a dispute existed between employers and employees. Before an industrial union can approach the Court the men, in some instances, have to strike to prove that a dispute exists. The men would then be ordered back to work, and the door would have to be opened to them before the Court could consider the question of arbitration. The Act is so foolish that I am surprised it has been left in its present form for so long. There is not a member on the other side of the chamber—and there are some very Conservative individuals there—who would say that the Court should not be easily approached so that disputes could be promptly settled without the introduction of unnecessary legal technicalities. It is difficult sometimes to prove the existence of a dispute, and it is difficult to get the men back to work after they have struck, even if they have been promised to be heard before the Court.

In many instances men have suffered so much that they are not keen on approaching the Court, as they feel that, while they are out, they are likely to achieve their ends by direct action, and thus they keep from work. The result has been, as the Prime Minister stated to-day, that they have had to take extraordinary action, and give preference to others to approach the Court in the usual legal way. No one can contend for a moment that that is beneficial or conducive to the industrial peace that all seem to desire. There is also another obstacle that has to be overcome. When employees appear before the Arbitration Court they have to prove that they are engaged in an industry. We had a sorry spectacle, when an organization came before the Court, of the lawyers on both sides and the Judge devoting a good deal of time in an endeavour to prove that the men were not engaged in an industry, and had no right to approach the Court. I shall not ask for an expression of opinion from lawyers on this matter, as it is one of those debatable points they delight in discussing, but I would like to ask any other honorable member of this House whether it was not intended that

the Arbitration Court could be approached by all people, whether they worked with hand or brain. If any section of the community organized to obtain benefits, surely the Court could regard that section as an industry. The municipal employees, for instance, had as much right to consideration as had men who were employed at other work. No one can say that they are not deserving of the same consideration as those employed at any other manual work, and yet we had the peculiar position of municipal employees having to prove to the Court that they were engaged in an industry. They had to leave the Court and amend their rules, so that they could approach it at a later date. The biggest blot of all is that the Court has no power to make a common rule, which means that when an organization, after having proved that there is a dispute in a particular trade, having established the fact that those appearing before the Court are engaged in an industry and waited twelve months or two years to get into the Court, they have to fight every individual employer in Australia. I have been informed that our Constitution does not give sufficient power to Parliament to create a Court to make a common rule applicable to any particular industry. I doubt that. When such technicalities arise the members of the rank and file become restless. The officials of the union are charged with not being sufficiently active, their sincerity is doubted, and the men begin to speak of acting without the sanction of the union. The Arbitration and Conciliation Act was intended to prevent industrial unrest, and the question of a common rule is one that has been responsible for more direct action and more universal unrest than any decision of the Court. It is quite possible that when the Court is approached a small employer may be missed. He may not have any one employed in his workshop, or he may take care not to employ men who are members of the union. In such cases it is impossible to cite that employer before the Court. Such technicalities are always availed of, and thus the desire of those who framed our arbitration laws is defeated. Whilst there may not be much in the question so far as it affects a small employer who cannot be cited before

the Court, we have to remember that there is nothing to prevent a large employer, who has been cited, and who has to pay the wages laid down by the Court, from going out of business and taking over, with the same capital, the industry of the man who could not be cited. That has actually been done, and the practice is likely to extend. There is no power to stop it, and it would involve a new appeal to the Court to get a backslider placed in the same position as other employers. I am not blaming this Government particularly for the condition of the Arbitration Court.

The Prime Minister reminded honorable members to-day of his long experience in the office of Attorney-General. He spoke also of his considerable experience as an official of one of the largest unions, and he solemnly related the fact of that union having availed itself of direct action more frequently and effectively than any other. The Prime Minister has admitted the defects of our present arbitration legislation. Surely, then, the Government will take steps to amend the Act. The trouble to-day is that there is too much preliminary formality. The waste of time merely aggravates both sides. There is long delay and a piling up of cases, and the outcome is, more and more often to-day, resort to direct action. I do not know whether the Government intend to proceed with the amendment of the Arbitration Act, but if they do not there will be no coping with the very evidently growing desire on the part of all classes to adopt direct action rather than enter the maze of arbitration. I desire to stress another annoying circumstance. It was recently reported that the Court doubted whether it had the power to make an award retrospective. I recall the case of the Federation of Wharf Workers when they were before the Court. As an organization, they secured a decision on which they were prepared to work. By some means the award, in its relation to the wharf labourers, was made retrospective, and the men concerned were able to draw back pay; but the section working on deep-sea ships was excluded from the retrospective award. The men appealed unsuccessfully for the back pay due to them, and after prolonged but unsuccessful efforts they resorted to direct

action. At this stage the Prime Minister intervened, and made promises and gave guarantees. Still the men were dissatisfied. After further negotiation, however, the men returned to work and ceased from their methods of direct action. The point is, that direct action benefited them. Can we wonder that the worker to-day adopts direct action rather than avail himself of the distant benefits of the Arbitration Court; and if the difficulties surrounding an appeal to arbitration are not smoothed away in the near future there will undoubtedly be more direct action? As a matter of fact, we have less industrial trouble in Australia nowadays than in any other country in the world. There has been no experience here to compare with the coal-miners' strike in Great Britain. There has been nothing here which could be termed a shadow of the strike of British railway men, who were supposed to have been defeated, but who, nevertheless, secured considerable concessions. To an extent, at any rate, direct action in the case of the latter proved effective. If the three great Labour organizations of Great Britain were to decide jointly upon direct action, the British people would find themselves in a very peculiar position. In the United States of America direct action is threatened by at least four sections of the working community to-day. Throughout Europe the industrial position is similarly tense. We hear of the low rates of pay earned by the Japanese worker. By direct action, however, he has improved his lot very considerably, and to-day there is more industrial trouble than ever in Japan. The method by which Australia had hoped to overcome industrial unrest has proved ineffective. With the evidence of the success of direct action steadily mounting, here as well as in other parts of the world, we are simply inviting the Australian worker to resort to direct action if we fail to improve our arbitration legislation.

Mr. RODGERS.—Your friend Trotsky is going in for direct action now by the conscription of labour in Russia.

Mr. MATHEWS.—If a people own a country they should be made to work for it. The people of this country do not own the land. Conscription is very democratic when it is applied to a people who

own the land they live in. That is why I believe in and have advocated conscription of wealth. I say, "Conscript those who have the wealth, those who own the country, and not the people who produce the wealth." When the honorable member for Wannon (Mr. Rodgers) refers to the conscription of labour in Russia, he brings to my mind the fact that in an up-to-date civilization, where the people own the country in which they live, they must be compelled to work for it. I do not know where the politician will come in in such circumstances. Certainly, I should expect to be compelled to do considerably less work than my friend, the honorable member for Grampians (Mr. Jowett), taking, as a basis for comparison, our respective bank accounts.

Mr. RODGERS.—The fact that the Russian Government have decided that all men shall work proves that chickens are coming home to roost.

Mr. MATHEWS.—Not at all. That is always understood by a Democracy, because the Socialist believes that a man should have what he produces, and not what somebody else produces. Socialism says, "Every man according to his deeds." The difference between the civilization of Russia and the civilization of Victoria is that in Russia if a man does not work he has no vote, while in Victoria, if he works, he has no vote for the Upper House. They are civilized in Russia, whereas we are barbarians. I have read of the horrors of the French Revolution, and could not understand why many of them were perpetrated, but they were not a patch on the horrors which preceded the revolution and brought it about. It is the same in the case of Russia. Ninety per cent. of the people of Russia had no say in the government of the past. I saw a picture in our library of the horrors of Bolshevism, showing rich people compelled to lie upon the ovens in a mansion to obtain warmth. The man who produced that picture was an ass. Eighty per cent. of the people of Russia, for generations past, have slept on ovens during the cold portions of the year. That was their only way to keep warm. Now, because the wealthy classes are getting a bit of their own medicine, they do not like it. I simply warn members opposite that the success of direct action

in other countries will bring it about here.

Mr. RODGERS.—Would you explain the bonus system in Russia under Trotsky?

Mr. MATHEWS.—I have always objected to bonuses and profit-sharing as simply perpetuating the present system, but the bonus paid in Russia is different, because it comes from the product of the people as a whole. The bonus paid here is paid by the man who produces to him who produces nothing. In an up-to-date civilization, if one man felt that he wanted more comforts, he would say, "I am going to work four hours a day instead of two," and no Democracy would stop him. I tell Ministers and honorable members opposite that if they wish to prevent the workers of Australia adopting direct action more in the future than they have in the past, they must seriously consider the alteration of the Arbitration Act, so as to make it easy to get into the Court, and cheap to obtain a decision. If the Government fail to do this, they will bring about what they do not like, although it may be more effective.

Progress reported.

House adjourned at 10.35 p.m.

Senate.

Thursday, 15 April, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

PAPER.

The following paper was presented:—

Papua Act.—Infirm and Destitute Natives Account—Statement of the Transactions of the Trustees, 1918-19.

COMPENSATION ON DEATH OF SOLDIERS.

Senator GARDINER.—I ask the Minister for Defence if his attention has been called to a paragraph appearing in this morning's newspapers, stating that the owner of a racehorse was awarded £3,675 damages because the horse was killed by placing its foot in a rabbit hole owing to the negligence of a racing

company having charge of the course on which the animal was raced. If £3,675 is estimated as the value of a blood horse, at what rate will the Minister compensate the dependants of soldiers who have lost their lives?

Senator PEARCE.—Parliament, including the honorable senator, has already decided that question.

Senator BAKHAP.—The honorable senator is the first member of the Senate to compare a man to a horse.

Senator GARDINER.—Arising out of the answer to my question, I ask the Minister for Defence if, in view of this additional information as to the value of a blood horse, the Government and the honorable senator will give Parliament an opportunity of assessing the value of a soldier's life proportionately?

Senator PEARCE.—I ask the honorable senator to give notice of that question.

EXPENDITURE ON PUBLIC WORKS.

Senator BAKHAP asked the Leader of the Government in the Senate, *upon notice*—

Will the Government furnish a statement setting forth—

(a) the total amount of Commonwealth public works expenditure in each State of the Commonwealth since the inception of the present form of Federal Government;

(b) the amount of such expenditure per head of the population of each State of the Commonwealth, the number of the population being that estimated by the Commonwealth Statistician at the date of furnishing the statement?

Senator MILLEN.—Since the abolition of the bookkeeping provisions of the Constitution on 31st December, 1910, State distinctions have disappeared from Commonwealth accounts. The Treasury is, therefore, not in a position to compile the information suggested.

TASMANIAN MAIL CONTRACT.

FARES AND FREIGHTS.

Senator KEATING asked the Minister representing the Postmaster-General, *upon notice*—

1. Does not the existing agreement between the Postmaster-General and the contractors for the mail service between Melbourne and Launceston and Melbourne and Burnie provide that the contractors will not without the

Postmaster-General's approval increase passenger fares or freights?

2. Have such fares and freights been recently increased, or is it intended that same be increased shortly?

3. By the action of the Shipping Controller or by that of the contractors?

4. Has the Postmaster-General's approval been granted?

5. When?

6. On what grounds?

Senator RUSSELL. — The answers are:—

1. Such provision is made in the agreement relating to the new steamer of the *Loongana* type, but that agreement does not come into operation until the new steamer leaves Melbourne for Launceston upon its first trip. In the meantime the 1912 agreements remain in force, and they do not contain any provision regarding fares or freights.

2 and 3. I have no official information on the subject.

4, 5, and 6. See answer to No. 1.

LEAVE OF ABSENCE.

Motion (by Senator EARLE) agreed to—

That two months' leave of absence be granted to Senator Mulcahy on account of urgent private business.

AUSTRALIAN IMPERIAL FORCE CANTEENS FUND BILL.

SECOND READING.

Senator PEARCE (Western Australia—Minister for Defence) [3.5].—I move—

That this Bill be now read a second time.

It will be within the knowledge of honorable senators that during the war canteens were established in connexion with the Australian Imperial Force. I wish to take this opportunity of publicly acknowledging the services that were rendered to the Commonwealth and to the soldiers by a number of gentlemen throughout Australia who, although busy men, gave their time gratuitously in the general management of those canteens. I should like particularly to acknowledge the services rendered by Mr. Lockyer, of the Inter-State Commission. He rendered service that was very valuable, not merely because of the time he devoted to the matter, but because also of the great ability he displayed in establishing the canteens and in generally overlooking their management. A number of other gentlemen in each of the States rendered valuable service. Accountants in each State gave their services in an honorary

capacity in the supervising of the accounts of the canteens.

I think it must be admitted that the canteens were of substantial benefit to the soldiers. They enabled them to conveniently obtain in the camps in which they were stationed certain articles of good quality at below the usual retail prices. It was a very much better system than that which obtained at the beginning of the war, when all sorts of traders were allowed into the camps, and, as we know, were in some instances guilty of very peculiar practices. The establishment of the canteens rendered it unnecessary to continue that objectionable system.

Senator FOLL.—This applies only to camps in Australia?

Senator PEARCE.—Yes. An extension of the system took place in the establishment of canteens on board ships and also in Egypt, and I think I may say that they were generally successful.

The object of this Bill is to vest the surplus funds of these canteens in trustees for the benefit of widowed mothers and other immediate dependants of deceased soldiers, and for the benefit of seriously disabled soldiers. It is estimated that during the war the total value of the trade done by the canteens amounted to upwards of £7,000,000.

Senator ROWELL.—That does not include the battalion canteens.

Senator PEARCE.—I think that includes all of which the Defence Department had knowledge. A large amount of the profits made by the canteens was distributed in the purchase of material for recreation and sports for the soldiers. It is obvious that in the case of a continually moving Force, such as ours was, it was impossible to justly distribute the whole of the profits made by the canteens amongst those only who were responsible for them. For instance, when a battalion moved out or a batch of reinforcements was removed from camp, there would be profits then in the hands of the canteen committee which justly would be due to the particular unit removed. Throughout the war a considerable quantity of assets and stores were accumulated which at the close of the war were sold. They had been accumulated from the turnover generally of the canteens, and could not be said to be the property of any particular unit, although a particular unit might have been in camp at the time the assets and stores were sold. They were,

in fact, the property of all. Another pleasing feature in connexion with the canteens is that right throughout they have been self-supporting. At one time, it was necessary to obtain an advance from the Treasury for the canteens in Egypt, but the whole of that amount has since been repaid, and those canteens also were self-supporting. The troops were well catered for, the best quality of goods being obtained at less than the usual retail prices, and yet substantial profits were made. The main object was the welfare of the troops, and I know of no complaint by the men as to the prices charged, or as to the administration of the canteens. If any complaints were made, they did not reach me. The accumulated profits and the disposal of the assets represent a sum of about £500,000. Certain of the funds could not be distributed during the war, and so they were invested, and interest thereon has been accumulating. These funds are the property of the whole of the Australian Imperial Force, but it was not possible, with any sense of equity, to distribute the money among the whole of the troops. This question arose very early in the war. In 1917, the Returned Soldiers Association wrote asking me what would be the destination of the surplus, and in August of that year I informed them that it was proposed to distribute the fund in the manner set out in this Bill.

Senator BOLTON.—Was it not suggested that the surplus should be devoted to the blinded soldiers?

Senator PEARCE.—They are included in the Bill.

Senator BOLTON.—But I think it was suggested that the blinded soldiers should receive the whole of it.

Senator PEARCE.—There may have been some such suggestion, but the intention of the Government was to distribute the fund amongst the disabled soldiers, and the blinded soldiers are, of course, included. I turned up the letter this morning, and found that the blinded soldiers were certainly included among the disabled soldiers, and they are provided for in the Bill.

I may add that the allocation of this fund will not be in substitution of anything that is being done, or proposed to be done, by the Repatriation Department for our disabled soldiers. I want to make this quite clear.

The Senate recently passed a Repatriation Bill in which there is provision for substantially increased weekly payments to blinded soldiers, the amount being increased to about £4 per week, but any money paid to disabled soldiers from the canteen trust fund will not be in substitution of that. I am glad to say also that since it became known that the Government intended to establish this trust fund the trustees in the estate of the late Sir Samuel McCaughey, in New South Wales, intimated that they are holding a large sum of money—over £400,000—in trust for certain purposes in connexion with our soldiers, and they have decided to invest the whole of it in the canteen trust fund for the benefit of disabled soldiers, so that the amount now available will be about £1,000,000. The trustees will act in an honorary capacity, and I wish to direct particular attention to the *personnel* of the Trust. The president for the time being of the Returned Sailors and Soldiers Imperial League of Australia will be a member of the Trust, so that our returned sailors and soldiers will always have a representative on that body. Mrs. Alfred Deakin, widow of the late Right Hon. Alfred Deakin, will also be a member, because of her extensive and sympathetic work on behalf of the soldiers, particularly in Melbourne. The general public, I believe, are not aware of the vast amount of work which she has done, but it has been known to me, because she was engaged at the hospital head-quarters near the barracks. I do not think that any woman in the Commonwealth has done more for our soldiers. Her work has also been generously appreciated, not only by Victorian soldiers, but by men from all the States, as she came in touch with them as they passed through head-quarters on their return to their respective States. Throughout the war she was, in very truth, a friend of all the soldiers. She did a magnificent work for them, and also interested herself in the care of the families of many soldiers during the war. It is very desirable therefore that she should be a member of the Trust, more particularly as the trustees will be dealing with the female relatives and children of deceased soldiers. Another member of the Trust will be Mr. Lockyer, who was responsible for the management of the fund right throughout the war, and it is felt that he would be a source of strength

to the trustees. The Hon. George Swinburne, well known as a capable business man, will be another member. Major-General Sir Cyril White, another of the trustees, is a typical Australian soldier, and being on the permanent staff at head-quarters, will always be available. Mr. Percy Whitton, who has been the financial adviser in connexion with the canteens, and is a man of undoubted ability, is also to be appointed.

Senator GRANT.—Are they all Victorians?

Senator PEARCE.—We do not know. We cannot say in which State the president of the Returned Sailors and Soldiers Imperial League will reside.

Senator GRANT.—But all the others are Victorians.

Senator PEARCE.—They are residing in Victoria, but in these appointments there has been no idea of favouring Victoria at the expense of the other States. It is obvious that if Western Australia, Tasmania, and Queensland were to have representatives on the Trust, there would be considerable delay in the dispersal of the funds, and the trustees would be put to considerable expense as they would have to reside in Melbourne for the first few months, at all events. Besides, General White cannot be called a Victorian. The other member of the Trust is to be Mr. Harold P. Moorehead, who was a private in the Australian Imperial Force, and who has had considerable experience in connexion with the work of the Repatriation Commission. Mr. Moorehead is a very capable man, and one who possesses the confidence of the rank and file of the Australian Imperial Force. I may say that the trustees of the McCaughey estate have been informed as to the *personnel* of the Trust, and they will have no hesitation in handing over to it the funds intrusted to them for this purpose. The object of the Trust will be to distribute these moneys for the benefit of the classes of cases I have mentioned. As regards the McCaughey bequest of £450,000, which is to be transferred to this Trust, it has been provided that the money shall be allocated as follows:—(a) Pastoral, agricultural, and technical education, £300,000—that is for the benefit of the children of soldiers; (b) beds and cots in hospitals for wives

and children of soldiers, £50,000; (c) subsidies to building funds of Australian Imperial Force units, £50,000; and (d) other special purposes to be decided by the executors, £50,000. I trust the Senate will realize that we are not dealing with public money, and that we are bound to honour the promise that was primarily made to the representatives of the Returned Sailors and Soldiers Imperial League. They were informed as to how the money would be used, and have given their approval. I ask the Senate to take the view that the trustees are not to disburse the money in any other way than that provided. The Trust will have to render yearly accounts to Parliament of the way in which they have expended the moneys committed to their charge, and the fund will be subject to the usual audit provisions. I trust the Bill will have an early and speedy passage.

Senator GARDINER (New South Wales) [3.24].—In speaking on the second reading of this Bill, I wish to support what the Minister for Defence (Senator Pearce) has said in regard to those persons who are to constitute the Trust to administer this fund. I offer no opposition to the appointment of any of the persons mentioned by the Minister, as I have the highest opinion of the personal character and ability of the proposed members of the Trust, and feel sure that they are quite capable of carrying out this responsible work. I believe that the president of the Returned Sailors and Soldiers Imperial League will always be selected with due regard to his character and ability; but, personally, I would rather see a selection made from ex-service men who have been abroad. That would not necessarily exclude the president of the Returned Sailors and Soldiers Imperial League.

Senator DE LARGIE.—How could such a selection be made?

Senator GARDINER.—That is quite a reasonable question, because there would probably be difficulty. A notice, however, could be published in the daily papers throughout the Commonwealth intimating that a ballot would be taken, and that soldiers, wherever they were situated, could vote by post. I am of the opinion, however, that the

selection of the president of the Returned Sailors and Soldiers Imperial League, as the representative of the soldiers, is hardly right, as I consider that a selection should be made irrespective of organizations. We have only to consider the amount of money at the disposal of the trustees to realize the importance of the work they are to perform. I have not associated myself very closely with any of the naval or military organizations that have been formed in connexion with the war; but I do not think any one can remain in public life for any time without quickly learning that there are rival organizations and institutions. Quite a number of things have been said concerning these organizations. I have heard it stated that those who first hurried back from the Front formed these associations, and, now they are entrenched in their dug-outs, consider they are the only representatives of the soldiers. The soldiers, being such a scattered force, have not the cohesion that is desirable. I am not claiming to be sufficiently in touch with the associations to know to what extent these organizations are representative of the general body, but from what I have heard I consider it my duty to be on the alert to see that when such measures as this are introduced, both sides shall be heard, and the question tested. It is our duty to see that the soldiers outside these organizations are not overlooked, and probably when the Bill is in Committee I shall move an amendment to the effect that the representative of the soldiers on the Board shall be selected by a vote of the people concerned. I realize that there is expense and difficulty attaching to such a proposal, but the importance of the question is such that we should face it. Such persons should be selected as the representatives of the soldiers, and not of any particular organization. After my long parliamentary experience, I have a very strong objection to Boards constituted in this way, particularly when they are to handle funds for the benefit of certain people. I can recall instances in the State which I represent, where, as the result of accidents in coal mines, huge funds were created to alleviate suffering, and where the officers in control of those funds drew more money from them than the people they

were intended to benefit. Senator Henderson will realize that that statement is not overdrawn.

Senator HENDERSON.—That is correct.

Senator REID.—But this is to be an honorary Board.

Senator GARDINER.—Exactly. The question then arises as to whether honorary Boards are satisfactory. I am not discounting the value of the splendid services men and women have given gratuitously, but, generally speaking, when entering into arrangements for handling a huge sum of money, it should be a set principle to pay for services rendered. If I had money, little or much, I should reckon that to have it successfully handled it should be intrusted, not to amateurs on an honorary basis, but to responsible people appointed because of their ability and capacity to handle money. I have a rooted objection to these Boards for doling out charity. With such a splendid sum of money to commence with, a Government anxious to benefit the soldiers, and alert to use it in the best way, would recognise that it was the nucleus of a fund which, properly used, after thought and consideration, could develop from one end of Australia to another businesses in which the soldiers could participate, and which would bring in a substantial revenue. Instead of the money being gradually dissipated or quickly spread out in charitable doles, it would thus be a source of perpetual revenue for the benefit of the soldiers and their dependants.

Senator FOLL.—You refer to such an industry as the manufacture of wool tops, for instance.

Senator GARDINER.—Yes, and clothing factories, or I would use Sir Samuel McCaughey's munificent bequest for the repatriation of soldiers in establishing educational colleges. I would take, but not without paying for it, part of the best lands in every State of the Commonwealth—some of the rich sugar lands of Queensland, which give a return of 20 per cent. more profit per acre than do our best wheat lands in New South Wales, and portion of the rich dairying or potato lands of Victoria, and some of the best wheat lands and the best wool-growing lands in those or other States.

Here is a fund of money which, if agricultural institutions for the instruction of soldiers' children were conducted on the profit-making principle, would be at the disposal of the Government, and within a very brief period of time would give a permanent return from every State of the Commonwealth. It would not be a matter of the money being dissipated in a year or two with nobody receiving much benefit from it, and eternal dissatisfaction being expressed with the way it had been used, but we should have the nucleus of a fund both for establishing educational institutions and for the development of profitable industries that would be worthy of the generous gift of Sir Samuel McCaughey, the great squatter who died in New South Wales recently. It would also be more worthy of the splendid voluntary services rendered by those men who so successfully conducted the canteens that our soldiers were better served, with better goods, of better quality and more quantity—I think that they got two cigarettes more in a packet from the Government than from private sellers—than would otherwise have been the case. I appeal to the Government to withdraw the Bill, realizing what an excellent opportunity they have to their hand to develop institutions that will be of permanent benefit to those left behind by the soldiers who gave their all fighting for this country. Senator Bolton referred to a proposal concerning the blind. I do not think that more than 250 blinded soldiers have returned.

Senator PEARCE.—About 200, I think.

Senator GARDINER.—I am not particular as to the exact number. Here is a fund of money, partly given by the community and partly earned by the soldiers themselves in the canteens, by which, under successful management, the soldiers could be provided with occupations giving them businesses and places of instruction that would train them to do different kinds of work, leading to permanency of employment.

Senator BOLTON.—And a deep interest in life, which is what they need.

Senator GARDINER.—Giving not only permanency of employment, but an interest in life, as Senator Bolton very properly says. Here is the opportunity

for it. The Minister may tell me that the Board will take all these things into consideration.

Senator ROWELL.—You argue in a different way so far as the war gratuity is concerned. In that case you want to give the soldiers cash so that they can squander it.

Senator GARDINER.—The honorable senator has not yet heard my argument about the war gratuity. It was not out of consideration for the soldiers that I wanted to pay the gratuity in cash, but out of consideration for my country. I do not want a lot of people hanging about dependent upon the Government for anything. I desire the matter to be settled promptly. I shall leave that question to be discussed at the proper time, but I altogether deprecate this method of inquiring whether what I am saying about this Bill will fit in squarely with what I am going to say about another. I am expressing about this Bill how it strikes me in the first place. I have little time for Boards administering large sums of money in the interests of other people, because of the number of occasions on which they have failed and the few on which they have been a pronounced success. I would rather this money were put into a Government Department, created immediately for the purpose, with an officer in charge, a staff sufficient for him to carry on, and a Minister in this and another place responsible for it, so that the representatives of the returned soldiers and the other people interested could have information daily when Parliament was sitting, or at any time they chose to approach their parliamentary representatives. That, too, would give an infinitely better form of Board than the one the Government now propose. This idea of spreading your institutions away from any controlling influence is on quite different lines. I am glad that Senator Pearce reminded us that it is not public money which the Board is going to handle. The very fact that a Bill is being passed here to deal with it makes it public money. We cannot pass a Bill to deal with money that we have no right to control. When the measure goes through we shall have the right to control that money, and by passing the Bill we are taking the legal right to decide its destination. This is an excellent opportunity to put the money into those branches of

employment that would do so much good. There is sufficient of it to attempt a lot of things, whilst among the men who have come back there are enough to control the fund in the interests of the soldiers and their dependants. Four hundred and fifty thousand pounds is a lot of money, but that is the sum which is to be put at the disposal of this Board, or Committee, under the conditions attached to the bequest. The Board does not strike me as competent to deal with that money in that practical, hard-headed, common-sense way which the generous giver would have wished.

Senator SHANNON.—Have not his trustees to be satisfied that the Board is competent?

Senator GARDINER.—So far as their ability for this particular Trust is concerned, I think the trustees appointed will "fill the bill" as well as any other body of men that the Minister could get together. The Minister assures us that the trustees mentioned by Senator Shannon are satisfied. I am speaking here as a trustee of the whole of the people of Australia, who are interested in the proper use of this money. Here is a fund, which if used by a branch department under the control of the Government, would be subject to the continual criticism of this Parliament, and might, therefore, be very effectively administered. Such a method of handling it would be infinitely preferable to its administration by an honorary Board. The easiest answer to any criticism of an honorary body would be for its members to say, "Well, we are giving our services voluntarily, and therefore we will get out." My experience of Boards leads me to believe that the administration of this fund will probably devolve upon one or two executive officers, whose decrees the other members of the proposed Board will merely register. In these circumstances I do not regard the proposal of the Government as an effective way of dealing with such a huge fund. Here is a unique opportunity for them to do something splendid for the dependants of deceased soldiers, who did so much for this country. I know that Ministers rarely have time to think of anything outside the beaten track, but I do ask the Minister for Defence to recognise the glorious opportunity which is here presented to him. His remarks in moving the second reading of the Bill seemed to imply that it would be only a

little while before the work of the Board would be finished. I do not share that opinion. Let me deal with the Melbourne aspect of this proposal by way of illustration. The soldiers' money has been used from one end of Australia to the other, and I am sorry, therefore, that the proposed Board will be purely a Melbourne one.

Senator PEARCE.—There will be a Local Committee in each State to advise the Board.

Senator GARDINER.—I am very glad to hear that. It seems to me that such a step is very necessary. But I cannot forget that a most sacred compact was made with Victoria that this Parliament should remain in Melbourne for a period of only ten years. It has already been here for nineteen years, and yet there is no indication on the part of the people of Melbourne that they desire to do the fair thing to the remainder of the people of Australia. This matter evidences the grip of affairs which Melbourne likes to get and to retain. Of course, I know that Senator Earle, who comes from the little isle of Tasmania, is so accustomed to inhale the Melbourne atmosphere that he has come to regard this city as Australia. But we who breathe a freer atmosphere have a firmly-rooted idea that Melbourne is merely a very small portion of Australia. I am not at all satisfied with the way in which Melbourne has dealt with this Parliament. Yet, under this Bill, it is proposed to constitute a Melbourne Board, to whom is to be handed over huge sums of Australian money. This body will be advised from the rest of the Commonwealth by State committees.

Senator O'LOGLIN.—There is no provision in the Bill for their appointment.

Senator GARDINER.—That is so. What chance has a Local Committee to advise, against the Melbourne influences which are so strong that they can disregard the sacred promise made to the people of Australia concerning the establishment of the Federal Capital in New South Wales? If those influences can flout Australia in a big matter, what can they not do in respect of a small one? There is so strong an atmosphere of Melbourne about the proposed Board that, so far as Australia is concerned, one forgets it altogether. I would like to see a branch of a department constituted.

Senator BAKHAP.—Of the Meteorological Department?

Senator GARDINER.—Of the Defence Department. I merely rose to express my views quite mildly, because, as I have already stated, I entertain no objection whatever to any member of the proposed Board. But I do think that this body should be made a branch of the Defence Department, in order that it might be continually under the criticism of the representatives of the people. I am satisfied that we cannot insist upon proper attention being devoted to duty by the members of an honorary Board, who will merely present us with an annual report of what they are doing. But even if the Board be of an honorary character during its initial stages, it will not be long before we shall be called upon to pay the expenses of its members. They will thus get allowances. Indeed, I do not know whether that is not contemplated at the present time.

Senator PEARCE.—No.

Senator GARDINER.—Then I shall have an opportunity hereafter of saying to the Minister, "I told you so," because as soon as the members of the Board find that they are being subjected to expense in doing the country's work in an honorary capacity, they will want to be reimbursed. I am sorry that the Minister should have decided to constitute the Board in the way proposed. It would have been much better if the fund had been placed under some Minister responsible to Parliament. Although the Minister has reminded us that these funds are not public moneys, the passing of this Bill will make them public moneys, since we must take the responsibility for the body to whom the administration of the funds is intrusted. We are constituting these funds public funds, and the best safeguard for the public funds of the people of Australia is that their administration shall always be open to question in Parliament. The Minister may say that the proposed Board will be open to criticism. The secretary of the Board will drop the members a line to say that at half-past 3 on the afternoon of a particular day a meeting will be held for the discussion of important business. The Board will meet, and in accordance with the usual perfunctory performance of duties by such bodies, will do just what the secretary, or the man with force and brains on the Board, proposes shall be done. I am aware that some people

consider that an excellent way of doing business, but from my experience of the handling of funds gathered from the public in the State I represent, the results have not been sufficiently satisfactory to warrant my permitting this Bill to go through without registering a protest against it. I advise the Minister that in this measure he is proceeding on the wrong track, and that this money should be vested in a Department controlled by a Minister responsible to the representatives of the people. That is, in my view, the wisest way of administering such a fund.

Debate (on motion by Senator FOLL)
adjourned.

WAR GRATUITY BILL.

SECOND READING.

Senator PEARCE (Western Australia—Minister for Defence) [3.53]. — I move—

That this Bill be now read a second time.

The gratuity payment that is proposed to be made under this Bill, let me say at the outset, is not a matter of right, but is a gift from the people of the Commonwealth in recognition of honorable service. No undertaking was given to members of the Australian Imperial Force that any gratuity at all would be paid them. It is somewhat interesting to look back over the history of gratuities paid in connexion with war services. The first of which we have any record was known as "batter money." How the term originated I do not know, but it was proposed in connexion with the Peninsular War, when Wellington, anxious to deter his soldiers from looting captured towns, promised them that if they abstained from looting, they would, at the conclusion of the war, have "batter money" paid to them. That course was followed at the conclusion of the Peninsular War, and has, I believe, been followed at the conclusion of each war in which Britain has since been engaged. No such thing was contemplated in connexion with the Australian Imperial Force, and I am sure that no such inducement was needed in order to restrain Australian soldiers from looting any town they might take.

I want to say, in justice to myself, that the question of the pay-

ment of the gratuity was not overlooked, as has been suggested in some quarters. In 1918, before I left for England, I gave instructions to the Defence Department that inquiries should be opened up with the British Government and the Governments of the various Dominions of the Empire to ascertain what they proposed to do in connexion with the gratuity. My colleague (Senator Russell) will remember that whilst I was in England I cabled to him intimating that I had had numerous inquiries from members of the Australian Imperial Force as to what was going to be done in the way of the payment of a gratuity. Senator Russell had these inquiries followed up, and when the question came to be faced by the Government, we were able to give the result of our inquiries as to what was proposed or was being done in this connexion in other parts of the Empire.

It will be of interest to the Senate to compare what is proposed by this measure with what is being done in other parts of the British Empire. I have here a comparison of the gratuity payable in the different parts of the Empire. For instance, in the case of a soldier who left Australia in November, 1914, and was killed in April, 1915, at the landing on Gallipoli, the amount of gratuity paid would be:—

In Britain	....	£5
In Canada	.... about	£22
In New Zealand	....	£11 5s.
In Australia	....	£120

In the case of a man who left Australia in November, 1914, was wounded at Gallipoli, returned to Australia, and was discharged in November, 1916, the gratuity paid would be:—

In Britain	....	£11
In Canada	.... about	£40
In New Zealand	.... about	£50
In Australia	....	£120

The rate of payment in Canada is six months' pay and allowances for three years' service; five months' pay for two years' service; four months' pay for one year's service; and three months' pay for any service of less than one year. In New Zealand the rate is 1s. 6d. per day for service abroad only. For home service Canada allows three months' pay for three years' service; two months' pay for two years' ser-

vice, and one month's pay for one year's service or less. In New Zealand no gratuity is paid for home service. In Canada the gratuity is paid in monthly instalments. In New Zealand it is paid principally through the banks.

The total estimated cost of the proposed gratuity to Australia is £28,000,000. Of this sum, £6,000,000, it is estimated, will be required to meet the cash payments provided for under various clauses of the Bill. Arrangements have been made with the banks by which this sum of £6,000,000 will be made available as an overdraft to the Commonwealth upon which interest will be charged at the rate of 5½ per cent.

I wish briefly to deal with the contention that the gratuity should be paid in cash, and with some of the arguments used in support of that contention. As one of the arguments, and the one most frequently used, for a cash payment, and as indicating that the necessary cash is readily available, critics quote the figures showing the deposits in the banks, comparing 1914 with 1919. According to these figures, the deposits in the banks in 1914 amounted to £186,600,000, and in 1919 they amounted to £280,000,000, showing an apparent increase of £93,400,000. These figures are illusory if quoted to indicate a corresponding increase of wealth. Money to-day is not a true index of the quantity of goods or the real wealth available.

I invite the attention of honorable senators to some very interesting figures, which will be found in No. 12 of Mr. Knibbs' *Commonwealth Year-Book* to illustrate this. It is shown there that in 1901 we exported goods, exclusive of gold and specie, to the value of £35,348,396, and in 1917-18 our exports were valued at £74,912,489. But the value in each case is in terms of the prices ruling in those years, and if our exports in 1917-18 were valued on the basis of the price levels of 1901 they would have amounted to only £35,946,491. The significance of this is that, notwithstanding the fact that our population meanwhile had increased by 33 per cent., the real wealth available for export in 1917-18, when compared with the export of 1901 on the basis of the prices ruling in that year, indicated

an increase in the value of our exports of less than 2 per cent.

I can give honorable senators some figures illustrating the same point in connexion with the value and weight of imports into the United Kingdom, where an account is kept of weight as well as of value. In 1913 the value of the imports into the United Kingdom was £659,200,000, and their weight 54,500,000 tons. In 1919 the value of the imports was £1,467,600,000, and their weight only 40,000,000 tons. Those figures show that it cost the consumers of Britain £808,300,000 more on war values for 14,500,000 tons less weight of imports.

Senator BAKHAP.—Why does the Minister make a comparison of imports for the United Kingdom, and of exports for the Commonwealth?

Senator PEARCE.—For no particular purpose, except to show that the same thing applies to imports and exports. I have some figures, also, in respect to exports from the United Kingdom which, perhaps, will satisfy Senator Bakhap. In 1913, Great Britain exported piece-goods to the extent of 7,000,000,000 yards, valued at £97,000,000; and in 1919 she exported 3,500,000,000 yards, which were valued at £178,000,000—one-half the quantity estimated at double the value.

Senator O'LOUGHLIN.—Does the honorable senator argue that if we get higher prices for our produce, that does not bring more wealth to the country?

Senator PEARCE.—I do, under the conditions I am now going to state. The fact is that the figures quoted do not indicate an increase of wealth, but the decreased value of money, owing to the inflation of values because of the gigantic borrowing for war purposes, and to decreased production. I think it is clear from the figures I have given that those who loosely argue that because of an apparent increase in the deposits in banks, which every one knows is due to the tremendous amount of paper circulated in the Commonwealth by reason of our war borrowing, the country is in a position to meet the gratuity as an immediate charge, are arguing on false premises, and take a mistaken view of what the figures they quote really represent. Far from indicating that the country is better able to pay, when their true significance is taken into consideration, they indicate

that the country is less able to pay; and it would be far better if, instead of an increase in the deposits in banks, we could show an increase in production, which is the only true test of our ability to pay.

There is another phase of the question which I think I am justified in bringing under the notice of the Senate and of the public. I refer to the undertaking which the Commonwealth has already shouldered, and is shouldering, in connexion with the quite proper and legitimate obligations to the Australian Imperial Force. The interest and sinking fund payment and war pensions, it is estimated, will represent an annual charge on the Commonwealth of £27,000,000. That will remain an annual charge until the Commonwealth is in a position to re-

place these bonds, not with other bonds by fresh borrowing, but with goods or real wealth produced. Until we are able to do that, this amount must remain an annual charge upon the shoulders of our 5,000,000 of people.

Let us consider the expenditure that has already been either undertaken or to which Parliament has already committed the country on behalf of the returned soldiers. I am absolutely in sympathy with the objects for which that expenditure is to be incurred; but it is very desirable, when considering any extension of the scope of the measure, that we should know just what are the Commonwealth commitments. I have here a statement bearing upon that point. The figures are—

APPROXIMATE EXPENDITURE ON REPATRIATION, WAR PENSIONS, ETC.

	1915-16.	1916-17.	1917-18.	1918-19.	1919-20. Estimate.	Approximate Total, 30/6/1920.
	£	£	£	£	£	£
Repatriation—						
Land settlement .. ..	..	20,000	20,000	1,047,963	8,085,000	9,172,963
Housing .. ..	..	..	..	5,000	5,000,000	5,005,000
Hostels .. ..	..	..	..	51,620	455,000	506,620
Advances to States to provide reserve employment .. ..	..	..	..	..	500,000	500,000
Grants to Local Government bodies to provide employ- ment .. ..	..	..	..	24,000	426,000	450,000
Vocational training, sustenance, furniture, tools, medical treat- ment, &c.	250,000	..	200,000	1,300,000	4,700,000	6,450,000
Other expenditure .. ..	..	..	..	..	100,000	100,000
Total Repatriation	250,000	20,000	220,000	2,428,583	19,266,000	22,184,583
War Pensions	129,273	1,149,242	2,772,077	4,828,072	6,200,000	15,078,664
Grand Total.. ..	379,273	1,169,242	2,992,077	7,256,655	25,466,000	37,263,247

If to the above we add the total recurring liability in the form of interest on our war loans, the amount is £49,584,336, representing expenditure on our soldiers and their dependants up to the end of the present financial year.

In regard to the qualifying service for war gratuities, I may briefly set it out as follows:—On the military side, those who embarked for service overseas, 1s. 6d. per day from date of embarkation to 28th June, 1919; those who enlisted, but did not embark, 1s. per day from the date of reporting for duty until the date of discharge, but not to exceed six

months. For the naval service—1s. 6d. per day for members of the Naval Forces who served in a sea-going ship after the 4th August, 1914, and before 11th November, 1918, or who during that period were borne for pay on the books of one of His Majesty's Australian ships; 1s. per day for members of the Naval Forces other than members of the auxiliary service who did not serve in a sea-going ship in the period mentioned; 1s. 6d. per day to men of the Naval and Military Expeditionary Force to New Guinea from the date of enlistment to 28th June, 1919; and 1s. 6d. per day to Imperial reservists

who embarked from Australia before 10th November, 1918, for service overseas.

The gratuity will be paid in non-negotiable bonds, with certain exceptions for classes of cases as indicated in clause 13, for which cases cash payments may be made. Provision is also made for the investment of the gratuity in approved companies comprised of returned soldiers or their dependants; and deductions from the amount of gratuity to be paid may be made in cases where fraud and deception have been practised upon the Commonwealth. It is not proposed to give authority to deduct an ordinary debt due to the Commonwealth; but where it is clear that fraud and deception have been practised, the Government think it only right that the amount involved should be deducted from the amount payable to the recipient.

Senator FOLL.—That relates to Australian Imperial Force pay, I presume?

Senator PEARCE.—And any other payment made by the Commonwealth to the soldier. It includes payments by the Repatriation Department. There is provision to set up a prescribed authority to determine the period of disqualification. The Bill provides that in certain cases men will be disqualified from participating in the gratuity; but there may be only a partial disqualification, and it will be the duty of this prescribed authority to investigate and make recommendations as to the period of disqualification. This authority will also have power to determine the destination of the gratuity in certain cases with which Senator Gardiner, who at one time was associated with me as Assistant Minister for Defence, will no doubt be familiar. At that time the same question arose in connexion with the payment of separation allowances. In certain cases it would be an injustice to pay this gratuity to the beneficiaries under the will of a deceased soldier, by reason of the fact that there were other dependants or relatives who had a prior claim. This gratuity is not in the same category as the ordinary assets of an estate, because it is a gift by the Commonwealth, and, therefore, Parliament, is entitled to provide that, where the facts are clearly established, certain relatives of a deceased soldier shall be provided for.

I have no doubt that there will be a natural desire on the part of certain honorable senators to endeavour to include other classes of cases within the scope of the Bill, because during the war so many persons rendered excellent service to their country, although not on the battlefield. But we must draw the line somewhere, and I venture to say that if any attempt is made to extend the scope of the Bill, other cases on the border line will also be entitled to consideration. If we could have stopped at those who went overseas, our difficulties would have been eased considerably, but as a result of the conference with the Returned Sailors and Soldiers Association the Government decided not to draw the line at those who actually went overseas, because the claims of other men seemed to be almost equally strong. We decided, however, to limit the payment of the gratuity to the fighting Forces that were available and could have been used by the Government for this purpose; whether we have succeeded logically in doing that is a matter for the Senate to determine. We feel we have. If honorable senators are inclined to widen the scope of the measure and include other cases, I invite them to think of the next allied class of case to that which they desire included. They will then realize how difficult it is to stop until they include every group which was in any way associated with the armed Naval and Military Forces of the Commonwealth. If the measure is to be extended to include those who helped to take our soldiers to the field of action, and the men who worked in the munition factories to provide the munitions of war, it may also be argued that the men engaged on our coastal steamer service to bring our soldiers from Western Australia to Victoria for special training should be provided for, because to a certain extent they were exposed to as much risk as were men engaged on steamers conveying troops from Melbourne to Port Said. In the early stages of the war, when our soldiers were being brought down from Queensland, or over from Western Australia, to Liverpool, Broadmeadows, or Seymour camps for special training, German ships were within striking distance of our shores, whereas later in the war period, when transports were taking our soldiers to Egypt, there was no known enemy ship anywhere in the Indian Ocean. Men

engaged on transports on the Pacific route, taking ships through the Panama Canal, also ran a certain risk, but in the issue of war zone medals for seamen the Pacific has not been recognised as a war zone, and, therefore, medals have not been issued to seamen engaged on that route. I warn honorable senators that if they seek to include all classes of cases they will find themselves in an interminable morass. There are two main classes of men to whom this gratuity should be paid, namely, the sailors and soldiers who actually went to war, and, having provided for them, I think that, taking the situation by and large, we have done all that we could be fairly asked to do.

I invite honorable senators to consider the various provisions by which the Bill is safeguarded, and say whether, in their opinion, they are adequate or too stringent. We cannot accept any extension of the Bill for the reasons I have indicated. I am one of those who believe that our soldiers were better paid, better fed, and better clothed than the soldiers of any other country engaged in the war. That is the opinion I hold, and it is supported by all those who have had anything to do with the soldiers. It cannot be contended that the pensions and the repatriation conditions generally are not a fair and just recognition of the claims of the service men. In this respect Australia compares more than favorably with other countries, especially as regards repatriation, and I ask honorable senators not to look upon this measure separately, but to consider it in conjunction with other such benefits.

Senator GARDINER.—It compares more than favorably just as our soldiers compare more than favorably with others.

Senator PEARCE.—I ask honorable senators not to regard this a provision standing by itself, but to consider it in connexion with the other measure adopted for the benefit of our sailors and soldiers who, through their official organizations, have expressed their satisfaction with it. In that spirit, I invite honorable senators to give the Bill a speedy passage, so that the bonds may be issued and the machinery set in motion.

Senator GARDINER.—What about the members of the Naval Reserve?

Senator PEARCE.—They are in much the same position as certain members of the Military Forces. In the Military

Forces, first of all, we had permanent soldiers in the garrison troops, including men who were thoroughly skilled gunners. As sections of the German fleet were in the Pacific in the early stages of the war, these men could not enlist. Many of them asked for permission to go abroad, and were refused, but towards the end of the war, when the German fleet had practically disappeared from the seas, that embargo was lifted to such an extent that we allowed certain members to enlist in the Siege Brigade, in which heavy guns were used. But the Siege Brigade being a comparatively small unit, only small reinforcements were required, and there were always more men available than were actually required. Therefore, while technically given permission to enlist, only a few of the men had the opportunity of doing so. There were also the men of the Australian Garrison Artillery. Early in the war, these men were called up for guard duty at Thursday Island and other points, where it was necessary to have garrison troops. Many of them asked permission to enlist, and had to be refused, but, later, the embargo was removed, and a large number actually joined the Australian Imperial Force. We had the compulsory provisions of the Defence Act, under which men were liable to engage in naval or military work, and certain men, not as a result of choice, were drafted into the Naval Reserve. Under the Defence Act, it is rather a peculiar anomaly that, whilst we had not compulsion on the military side, there was a conscription clause whereby we could send men in the Naval Reserve to any part of the world. That was introduced by a Labour Government, of which I was Minister for Defence.

Senator GARDINER.—You had men who volunteered under those conditions.

Senator PEARCE.—These men did not volunteer, as they had been conscripted under the Defence Act, and sent into the Naval Service. There was a further power in the hands of the Government to conscript them to serve in any part of the world, but the Government did not operate that power. To the credit of these men, it must be said that many wished to volunteer for service in the Australian Imperial Force, but the Government said their services were required here.

Senator BAKHAP.—The present naval cadets are subject to the same legislation.

Senator PEARCE.—In regard to the Naval Reserve, there are two classes. One was kept in Australia within territorial waters, and, in fact, some of them were not employed on ships at all, but on wharfs and at various other points, just as were members of the Military Forces. Their service was analogous to that performed by members of the Military Forces, as many of them were engaged in the examination of vessels that had been held up by the fort before entering the Heads on approaching both Melbourne and Sydney. Although the duties of these men included the searching of vessels arriving, they did not actually go outside territorial waters. There were, however, others who were engaged in searching for mines after the *Cumberland* was sunk off Gabo Island. Such men are included in those to whom payment is to be made.

Senator REID.—And also the gun-layers on transports.

Senator PEARCE.—Yes, as it is believed that these men underwent something approximating war experience. In regard to the Naval Reserve and members of the Citizen Force, it is admitted that many made a sacrifice, as their finances and industrial prospects were interfered with. But in a sense it can be said that scores of thousands of people who did not serve in the Australian Imperial Force made, in one way or another, some sacrifice. This is not a Bill to reward those who made sacrifices in consequence of the war, but it purports to reward those who served in a war zone or in war operations. Whilst it may be true that those who were employed at guard work at certain stations or on wharfs received less pay than they would have received in other avocations, it must be admitted that they did not incur the risk of others, and that their occupation was a comparatively peaceful and easy one. Under these conditions their claim does not merit the same consideration.

Senator FOLL.—What of the men who received permanent injury in camp, and who did not go abroad?

Senator PEARCE.—It does not provide for the men who were permanently injured in camp, but the dependants of those who died in camp will receive the gratuity.

Senator REID.—What of the dependants of those who met with a serious accident in camp?

Senator PEARCE.—Such cases as those are dealt with under our Pensions Act. Where men were injured in camp they will receive 1s. per day under the conditions laid down, but if a man who enlisted died in camp, his dependants will receive a gratuity based on the rate of 1s. 6d. a day, because it was the intention of such a person to proceed to the Front.

There is another point with which I would like to deal. The question has been asked why we should pay men, who went away in the first division, who were wounded at the landing and on their return to Australia were discharged, for the whole period of the war, as against a man who went away with the first division, and, although wounded several times, served right through. On the face of it, it looks like an inequality, but after careful examination I do not think it is. In the first place, it must be remembered that no men were discharged at their own request, but at the wish of the Government. When a soldier returned wounded the medical officers appointed by the Government examined the man, and if the medical officers reported that he was unfit for further service he was discharged. Such a man volunteered to give his services for the whole period of the war, but the Government under the circumstances decided to relieve him of his obligation. It seems right, therefore, that he should receive a gratuity based on the full war period. Those men who returned as a result of their own undoing are not to receive consideration.

I think honorable senators can rest assured that this matter has been fully considered by the Government. We went through an election when this question was pending, and it may be taken for granted that every phase of the problem was brought under the notice of Ministers. The Government announced broadly the basis upon which the gratuity would be payable, and it was included in the policy of the Government and their supporters at the recent election. The party supporting this policy has been returned, and, therefore, we should be safe in assuming that it has the imprimatur of the people of Australia.

Senator GARDINER.—I am sorry the Minister has introduced that.

Senator PEARCE.—That is the opinion I hold. We told the electors that we favoured the payment of the gratuity in non-negotiable bonds, whilst those in opposition said that they were prepared to pay cash, and made that a clear-cut issue.

Senator GARDINER.—The Minister stated that the gratuity was to be paid in cash.

Senator PEARCE.—Senator Gardiner is referring to an unfortunate occasion when I trusted that unreliable source of information—the press. A statement was telegraphed to Western Australia, and appeared in the *West Australian*, to the effect that the Prime Minister (Mr. Hughes) had stated that he had made arrangements with the banks for the gratuity to be paid in cash.

Senator GRANT.—A similar statement appeared to the New South Wales papers.

Senator PEARCE.—The Prime Minister corrected that. I repeated the statement on the strength of what appeared in a newspaper paragraph. When there appeared to be some doubt I received a telegram correcting the statement, which I at once made public through the columns of the *West Australian*.

Senator GARDINER.—I am depending upon that unreliable source. Did not the Minister say at one meeting that he had received a telegram from the Prime Minister confirming the statement?

Senator PEARCE.—Yes. I sent the Prime Minister a telegram stating that the report of his meeting in Adelaide gave the terms of the gratuity to be paid, and had been published in the *West Australian*. I asked whether I could use that statement as one coming from him. I did not repeat the terms of the published report as it was somewhat lengthy, but I assumed that it was correct. The Prime Minister telegraphed back, giving me permission to use the published statement, and I quoted it. The point was then raised as to whether it was an accurate report, and as to whether the Government had made arrangements to pay the gratuity in cash. I think the statement was challenged by the banks. Seeing this, I then telegraphed to Mr. Hughes to know whether he had said that he had actually made the arrangement with the banks. Receiving from him a reply that he had not made such a state-

ment, I corrected what I had previously said.

Senator ROWELL.—What is the reason for giving cash to a man who marries since his discharge, and not to other men?

Senator PEARCE.—The assumption is that when a man is about to marry he is put to considerable expense. He wants to obtain his furniture and set up a home. This, I suppose, is looked upon as a sort of wedding gift from the Commonwealth to the man who takes on marriage obligations, whereas the old married man has made his arrangements and generally expects to be able to rub along.

Senator BOLTON.—Does that apply to all those who have married since their return from the war?

Senator PEARCE.—I do not think it does, but I should not like to give a definite answer on that point. I shall have it looked up. I assume that it applies to those who marry after this Bill becomes law, but I do not want to make that statement definitely.

Senator BOLTON.—That is rather an invidious distinction.

Senator PEARCE.—Where are you going to draw the line? I would remind the honorable senator that the question of marriage in the Australian Imperial Force in the Old Country when I was there was rather a delicate one. I am afraid that we shall be rather adding to the difficulties of the Treasury if we extend the principle too far.

Senator GRANT (New South Wales) [4.37].—Notwithstanding the speech of the Minister for Defence (Senator Pearce), who would give us to understand that this measure has the approval of the members of the Australian Imperial Force, I venture to say that if a vote were taken, not of the officers of the various associations or at some of the meetings of the associations, but of the whole of the members of the Australian Imperial Force, it would be found that no Bill that has ever been before this Chamber would meet with less approval at their hands than would this particular measure. I have spoken to a very considerable number of returned men, and have never yet met one of them who approved of the idea of paying them in bonds. On the

contrary, all I have met are vigorously in favour of the amount being paid to them in cash, and at once.

Senator REID.—You did not meet very many, then.

Senator GRANT.—I met very many of them. The honorable senator's statement is quite incorrect, and he does not know what he is talking about, because I met hundreds and thousands of them. We are informed by the Minister that it is proposed to pay a certain number of classes of cases in cash, the total amount of which will approximate to £6,000,000. We are further informed that many employers are to cash the bonds, and we find from one of the clauses of the Bill that the War Service Homes Commissioners and some other public Departments will accept the bonds as cash. I do not know how many millions will be covered by those provisions, but I assume that at least another £5,000,000 or £6,000,000 may be regarded as being liquidated, so far as the soldiers are concerned, in that way. That would account in all for about £12,000,000. I refuse absolutely to subscribe to the idea that the Commonwealth is unwilling to pay this money in cash. I disagree entirely with the deductions of the Minister for Defence that this was the issue on which the recent elections were fought, and that the returned men deliberately voted for the Government in such large numbers as to give them a majority in some cases on this particular issue. There were many other issues which commanded the attention of returned men and electors generally. All those I have come across have been strongly in favour of the payment of the gratuity in cash, and only last night a big deputation of the returned men pleaded with the Prime Minister, if he could not possibly pay the whole amount due to them in cash, to give them at least 50 per cent. of it in cash. When these men went abroad the prices of commodities in Australia were at a certain level. While those who remained on the spot were surprised at the persistent manner in which the prices of various commodities rose, it must have been quite an eye-opener to the men who returned to find the purchasing power of the sovereign had decreased in many cases by 25 per cent., and latterly to a much greater degree.

I do not regard the gratuity as a grant or gift, but look upon it as something to which the returned men are absolutely entitled, because during their absence no increases whatever were made in their so-called salaries.

Senator PEARCE.—Yes, there were increases in the separation allowance.

Senator GRANT.—I am aware of it; but I was speaking of the 6s. per day actually paid to the men themselves. The men who remained in Australia obtained in many cases the benefit of industrial awards whereby their wages were to a certain extent increased, and it is only equitable that the men who were abroad and received no increases of that sort should get something by way of increase on their return to Australia. I look upon this payment, not as a gratuity or gift, but as an absolute right. I must express my entire regret that the Government cannot see their way clear to bring down a measure to pay the men in cash. Had the war continued, we should have required to find the necessary amount of cash to carry on the war.

Senator GUTHRIE.—You opposed men going.

Senator GRANT.—That statement is quite untrue, and this is no place to endeavour to circulate statements without foundation in fact.

Senator GUTHRIE.—You said Australia had done enough.

Senator GRANT.—The honorable senator has no right to keep on making a statement which is denied by me, and which he knows to be untrue. No statement of that kind was ever made by me, or by my party. The honorable senator repeats it so frequently that no doubt he believes it himself. At the same time it has no foundation in fact, it is entirely misleading, and is only worthy of Senator Guthrie.

One phase of the Bill has my entire approval. It has been the custom in the past, when money was being divided, to give more to those who were receiving higher salaries than to those who were receiving lower pay, and I am pleased that the Government have proposed in this measure to give all hands in the Australian Imperial Force a flat rate according to the class in which they are placed. There are five classes to whom it is proposed to give a flat rate of 1s. 6d.

per day, and two classes who are to receive only 1s. per day. I do not wish to comment adversely on the separation of those two classes as laid down by the Government. I recognise that it is difficult to stop short of giving the whole of the people directly engaged in the war a share in the proposed distribution of public funds, and I have no doubt that in the near future the Government will bring down an amending measure to extend these provisions. It is very much easier to do that than to propose at a later date to curtail or exclude any of the classes for whom provision is now being made.

The information given by the Minister shows that Australia purposes making a more liberal payment by way of gratuity than has been made by any other country. To this, again, I have no objection. I think the Government have done the right thing in fixing the period for which the gratuity will be paid, as from the 4th August, 1914, to the 28th June, 1919. When we consider the immense wealth of Australia and the facility with which money can be borrowed for other purposes, and expended; when we consider the facilities that can be made available in certain directions—

Senator DE LARGIE. — For expending money?

Senator GRANT.—For borrowing money, and, if necessary, for expending it, it is surprising to me that the Government cannot be screwed up to the point of borrowing at least another £25,000,000 for the purpose of at once liquidating this claim.

In numerous clauses of the Bill I notice that there is a reference to "the prescribed authority." This "prescribed authority" is to be vested with very extensive powers, which it will exercise over a considerable number of years. To my mind, it would be far more economical if the Government were to add the £25,000,000 that will be involved in the payment of this gratuity to our national debt, and to pay interest upon it in the ordinary way. Our indebtedness would not be very materially increased thereby. That would be the right policy to adopt.

There is one clause of the measure which seems to be of so obscure a

character that it ought not to be passed without honorable senators first ascertaining what it really means. In clause 12 there is a provision which, unless altered, will lead to a very great deal of difficulty and interference. It reads—

A member of the Forces who has married since the date of his discharge.

This provision is so vague that even the Minister himself cannot pretend that he understands its meaning. Personally I do not know how many members of the Australian Imperial Force have married since their return from the Front; but if it be intended to pay the gratuity to those who may marry after the passing of this Bill, there does not seem any logical reason why the measure should not be made retrospective, so as to include all those who have married since their return to Australia, or who have married and remained in Great Britain. The Government have no option but to make this provision applicable to all members of the Australian Imperial Force. Otherwise they will be drawing a distinction which ought not to be permitted. If the Government cannot borrow an additional £25,000,000 they may possibly be able to borrow a few million pounds so as to make the clause applicable to all married members of the Australian Imperial Force, because the expenses of these men during the war were quite as onerous as were the expenses of those who were not married. Either the provision must be excised from the Bill, or it must be made retrospective in the way I have suggested.

In my opinion, it would be far better to withdraw this measure and to submit a fresh Bill providing for the payment of the gratuity in cash to the whole of the members of the Australian Imperial Force.

Senator PRATTEN.—Had the country agreed to that proposal the honorable senator's party would have been returned to power.

Senator GRANT.—I do not know that my party would have been returned to power on a question of that sort. If any honorable senator chooses to test the feeling of any public meeting in this country he will find that it is in favour of immediately paying this gratuity in cash to our returned soldiers.

Senator BAKHAP.—I addressed a good many meetings during the election campaign, and I never once heard the question of the gratuity mentioned.

Senator GRANT.—Yet we have been assured by the Minister for Defence that the electors voted against the payment of the gratuity in cash. I thank Senator Bakhap for having come to my assistance, and for having shown the Minister that he does not know what he is talking about.

I anticipate that at a later stage the Government will submit an amending Bill, with a view to extending the benefits of this measure to other men who were engaged upon war service. I fail to see why the munition workers should be excluded from the Bill, especially when we reflect that they enjoy the advantages conferred by the War Service Homes Act.

I am very pleased to observe in the measure a provision which I should like to see extended in many other directions. I allude to that clause in the Bill which reads—

The amount of—

(a) any war gratuity, or

(b) any interest paid or payable to any person in pursuance of section 13 of this Act

shall not be liable to income tax under any law of the Commonwealth or a State and shall not be deemed to be income for the purpose of the Invalid and Old-age Pensions Act 1908-19, or the War Pensions Act 1914-16.

As one who is entirely opposed to the Income Tax Act in all its ramifications, I warmly approve of that provision. If the Government can pay the balance of these bonds in cash on 31st May, 1924—only a few years hence—there is no reason why they cannot pay it now.

Senator DE LARGIE. — We shall have more wealth then.

Senator GRANT.—I have no doubt that the extra wealth which we shall then possess will be counterbalanced by a good deal of additional expenditure. Of course there may be a few returned men who do not require the money represented by the gratuity, and who are quite willing to allow it to remain with the Government. But 99 per cent. of their number urgently need it. To pay them in cash now would do away with the necessity for constituting the "prescribed authority," and would be of very great assistance to

many members of the Australian Imperial Force who have entered into obligations, and to whom a gift of £80 or £100 would represent no mere trifle. If the Commonwealth can afford to pay them this money in 1924 it can afford to pay it now.

Senator BAKHAP (Tasmania) [5.4]. —I have no doubt that in a general way my attitude on the question of remunerating the soldiers for their services during the war is well known. I certainly shall not revive old memories to any great extent, but throughout the war I had in mind the waging of it upon financially the most economic lines with the hope that, in the event of victory alighting on our standards, we should be in a position to know the extent of our liability, and in the light of that knowledge would be able to address ourselves to the question of granting to our soldiers a most substantial gratuity. But the policy which I had in my mind as a member of the rank and file of this Chamber was not adopted by the nation. Seeing that our soldiers were remunerated on a very substantial scale, as the Minister for Defence (Senator Pearce) has indicated, compared with the other belligerent nations, I think that the scope of this measure shows that the Government, representing the people of Australia, will not be either belated or parsimonious in their gift—for gift the gratuity is.

The Minister remarked that something quite interesting could be said about war gratuities in general. I echo that statement, but as I understand that it is the intention of the Government to get this measure through and give the benefits of its operation to the soldiers at an early date, I do not think that any good service would be served by being unduly reminiscent in regard to the gratuities paid to the victorious armies of nations in long past periods of the world's history. The payment of a gratuity to victorious soldiers has been quite a common thing. It was done by the ancient Roman Empire, and I am sorry to say that, because of the great use, or perhaps I should say misuse, of the principle of a gratuity or denotive to victorious soldiers, it was a substantial factor in bringing about the downfall of that Empire. The legionaries stationed in the capital developed an

appetite which grew upon that which it fed. It is notorious that emperors, or would-be emperors, being willing to purchase the favour of the standing army of the capital with a donative, gave an incentive to those tumults which brought about the downfall of the Roman Empire. So much was this the case that we have the spectacle of the Roman Empire on one occasion being put up for sale, so that some rich aspirant to the Imperial purple might give to the soldiers a gratuity which should in some measure satisfy an appetite that had become almost insatiable.

Fortunately in this Democracy of ours no apology is required for the payment of a gratuity such as is set forth in this measure to the ever victorious soldiers of our Australian Army.

Senator GARDINER.—The Government won their renewed lease of office with this bribe. They deliberately bought it in the open market.

Senator BAKHAP.—By such a statement the honorable senator lays his own party open to a more serious condemnation. Were I in his place I should not use such an argument for a moment, because all I can say is that, if in the form proposed in this Bill the gratuity is a bribe, what the honorable senator's party offered was a bribe ten times over. It was a bribe designed to secure the favour of the soldiers of Australia who had been alienated by the party opposite because of their luke-warm attitude during the second, third and fourth years of the war.

Senator GARDINER.—The soldiers have a fair view of the attitude of honorable senators opposite now and during the elections.

Senator BAKHAP.—I am sorry that members of both political parties sought to make out that this was a burning question, and that the soldiers of Australia were so obsessed by the consideration of whether they would get cash or bonds that their view on the matter was going to be a decisive factor in the election which took place last December. I addressed quite a number of meetings in Tasmania on behalf of the National party on general principles, and I have no hesitation in saying that not one question referring to the gratuity was asked me by a returned soldier or any other elector. The soldiers did support in a

very large measure the National Government, but, fortunately for the common sense of Australian Democracy, they did so on general principles and not on the question of the gratuity.

I have indicated that I had hoped, had my policy in regard to the war been adopted, to have supported the payment of a more substantial gratuity than that for which provision is made in this measure. My policy was not adopted, and it now only remains for me, as a Government supporter, to justify this measure, as I am quite prepared to do, not only in a general sense, but in regard to most of its particulars. I do not think it requires very much justification. We had a meeting purporting to consist almost entirely of returned soldiers, who forgathered yesterday evening on the steps of this legislative building. I understand that that gathering was the outcome of a tremendous meeting supposed to have been held at one of the places of public resort in this city a few days ago. It was set forth that a very large number of people, estimated at 5,000, attended that meeting, and passed a resolution to the effect that this Parliament should pay the gratuity in cash. When we consider that there must be at least 40,000 or 50,000 returned soldiers in the city of Melbourne and suburbs, and when we reflect that it is not alleged that more than 5,000 people of all classes attended the meeting referred to, it will be seen that only a very small percentage of the returned soldiers felt keenly enough on this subject to demand cash instead of bonds.

Senator GARDINER.—How many returned soldiers were within eight miles of this place last night?

Senator BAKHAP.—I say that in Melbourne and its suburbs there must be 40,000 or 50,000 returned soldiers. The honorable senator is aware that Melbourne contains about one-sixth of the population of Australia. One-sixth of the returned soldiers, according to the law of averages, must reside in this city and its suburbs. One-sixth of the soldiers repatriated at present must number at least 40,000, and I ask where were they last night when the alleged deputation was present on the steps of this building intending, I will not say to overawe, but

to make some very strong representations to this honorable body? They were represented by 2,000 or 3,000 people, a large number of whom were not returned soldiers.

Senator GUTHRIE.—Many of whom were women.

Senator BAKHAP.—Yes. The gathering consisted also, to some extent, of volatile youths, whose particular occupation or enjoyment, it seemed to me, was to suggest a bar sinister on the escutcheons of such members of the Senate as have escutcheons, and to invite those honorable gentlemen bearing the bars sinister to come out and address them. I am glad to say that the Senate, with the adroitness and wisdom which characterizes its deliberations, had adjourned that we might discuss this question in the calm atmosphere which surrounds our meeting in this chamber to-day.

Senator GARDINER.—The honorable senator should not attribute the adjournment to adroitness. Was it not due to lack of business?

Senator BAKHAP.—I saw indications on the steps of this building last night which led me to regret that in early youth I had not embarked in the tobacco-selling business.

It seems to me that, after all, we are splitting a straw in this matter, but I believe that the difference between the two proposals is in favour of the issue of bonds. The bonds will mature in four years' time. Very many of our young soldiers have at present a very poor appreciation of the value of money, and in four years' time they will have acquired some sense of the responsibility of citizenship. The money, in four years' time, will not be like the snows of last year, but will be available on the maturing of the bonds, when the experience of the younger men of the world will have increased and it will be of greater service to them than it would be now.

Senator DE LARGIE.—And when £1 will be worth twenty shillings.

Senator BAKHAP.—Let us hope so.

Senator GARDINER.—On the same argument, it would be of still greater service twenty years hence.

Senator BAKHAP.—Had my line of policy been adopted, I confess that I was

in favour of paying any war gratuity which might have been determined on by the Legislature in cash, but I am not above learning something with the progress of the years. I have in mind certain instances—and I am sorry to say they are rather numerous—in which soldiers going to the battlefield and inspired by filial affection, which, perhaps, had lain somewhat dormant for years, made substantial allocations out of their pay in favour of their aged parents. Those parents, with a love and devotion which, I suppose, characterized them from the time of the birth of their children, instead of spending that money, saved the whole of it, and had substantial sums awaiting the returned soldiers, amounting in one case within my personal knowledge to £200. When their sons fortunately returned from the scene of action after peace had been arranged by the victory of their arms and of those of our Allies, their parents presented them with the money that had been saved; but I am sorry to say that I could give instances in which the young fellows, not having had before so much money in their lives, dissipated the whole of it. They derived no benefit from the money saved for them, and at the present time they are doing pick-and-shovel work instead, perhaps, of being successfully established in a business which £200 in capital might have secured for them.

I think it will be admitted that the honorably large percentage of soldiers repatriated, and who have fitted themselves already into the grooves of civilian life, and are earning sufficient to keep them in an honorable way, are not in immediate want of the cash. A man who has been satisfactorily repatriated, and has been provided with employment in which he is earning £3 or £4 per week, is not in need of spot cash. If the young soldier who has had very little experience of the world save what he gained on the battlefield, were given his gratuity in cash, I believe that he would have very little of it before the four years during which the proposed bonds will be current have expired.

The Leader of the Opposition in the Senate (Senator Gardiner) will see that those of our soldiers who served almost right through the war had in many cases substantial accretions of pay, because of the allocations which they made to relatives who in quite an honorable majority

of cases saved the allocations for those who happily came back from the Front. Such men are not in immediate need of the money which would be available from the sale of the bonds. In the case of the younger and more irresponsible men who enlisted after the war had gone on for two or three years, the amount that would be available to them in cash would be comparatively small, and would not be of any material benefit in the hands of young men of twenty-one or twenty-two years of age. It will be better, in all the circumstances, that the gratuity should take the form of a deferred payment, so to speak. I really honestly believe that if Australia were in a position to pay cash at this moment, having seen what has happened in the case of some of our soldiers who have returned, I should feel myself bound to vote for the payment of the gratuity in bonds instead of in cash.

I will admit that there is a specious force in the argument used by some of those who, in order to curry favour with the small section of soldiers demanding cash, ask the Government to pay the gratuity in notes or specie. They say that had the war gone on, we would have been obliged to finance it, and that, consequently, we should be able to finance the £28,000,000 or £30,000,000 required to pay this gratuity in cash. But honorable senators who take this view are poor psychologists. A nation fighting for its life, with the hand of the enemy at its throat, is very much in the position of a boxer in the ring, called upon to endure right through a twenty-round contest in the hope of securing victory in any one of the twenty rounds, if he can. During that contest, he must strain every nerve, watch every move of his opponent, evade punches that may be fatal, and generally act, while in the ring, at high pressure to stand a chance of victory. That is what a nation has to do in time of war. Can any sensible man with a knowledge of human nature say that what a nation can do in war time it can do in times of peace? Human nature cannot stand the strain, and so the argument that because we would have been obliged to provide a large sum of money had the war continued, we should now provide cash for the war gratuity, has very little point in it so far as I can ascertain. I wished to see Australia endure to the end so as to secure that high moral

Senator Bakhap.

position which comes to a nation victorious in war, especially a just war, but I never was one to "slobber" over our soldiers, so to speak. I thank no young man for having gone to the Front and fighting for his country. It was his duty. But as even duty should point the way to glory, and be recognised, although it is duty, I now cheerfully vote for a measure like this, and say to any representative of the soldiers who may be in the gallery, that if our Treasury were full to overflowing, and if we had received the full portion of our expected indemnity from Germany, in the interests of a considerable portion of our returned men, I would vote for bonds instead of cash, so that by a system of deferred payments, they would receive the cash four years hence, when they will be older citizens, and when the money will, I believe, be of more benefit to them.

This about ends what I intended to say on the measure. Our soldiers were victorious, and I have assisted to welcome large numbers of them on their return. I hope they may never have occasion to leave again to fight for our liberty. To those who sleep upon the field of honour, no words of mine, and no eulogy, are necessary. They died gloriously at the post of honour, and I hope that the traditions which they have established will endure, and be the best bulwark of our nation for generations to come.

There are, however, one or two points upon which I should like information from the Minister for Defence. I believe that the measure is well designed, but I think provision should be made for certain perfectly legitimate transactions that have already taken place. A large number of our boys who showed filial respect both before and after they went to the war, have, on the anticipated value of bonds coming to them, obtained cash from their parents for the purpose of entering into certain business arrangements or other enterprises which, perhaps, cannot be classed as business concerns. The bonds are non-assignable, but I think some reservation should be made in favour of members of a soldier's own family who are willing to advance the amount of money due to him in the form of bonds, and that they should be permitted to hold the bonds as security.

Senator GUTHRIE.—That will open the door very widely.

Senator BAKHAP.—I do not think it will. The filial relationship between most Australian soldiers and their parents has been admirable. The fact that many of them believed they were going to make the supreme sacrifice on the battle-field aroused in them a long-dormant sense of respect for their parents.

Clause 9 seems to be rather indefinite. It reads—

(1) Where a person to whom a war gratuity would have been payable has died before payment of the gratuity (whether before or after the passing of this Act) the gratuity shall not form part of the estate of the deceased, and shall not be claimable by the executor or administrator of the estate, but may be paid to such one or more of the following persons, and in such proportions, as the regulations prescribe or the prescribed authority approves, namely:—

Any person who—

(a) is beneficially entitled under the will of the deceased to any part of his estate; or

(b) is, or would, if the deceased had died intestate, have been entitled to a share in the distribution of his intestate estate,

and who is either the widow, or a child, parent, step-parent, foster-parent, or dependant of the deceased.

Not being a lawyer, I may not be able to construe the clause correctly, and so I want to know, if the beneficiary cannot be a person outside those mention in paragraph (b)?

Senator PEARCE.—Yes. The clause provides that if other persons have a prior and moral claim upon the amount of gratuity, we shall have the right to pay it to them and not to any beneficiary under the will. For instance, the father of a deceased soldier may not have supported the family at all; the burden may have fallen upon the mother. In that case we should have authority to pay the gratuity to the mother, although the father may be the beneficiary under the will.

Senator BAKHAP.—Then I should like to know the reason for the omission of the word "sister" from the clause. Many of our soldiers have been brought up by elder sisters, and I see no valid reason for the exclusion of sisters from the list of eligible persons to whom the gratuity may be paid. I know that any amendment we make will mean that the measure must be reconsidered in another place;

but I cannot waive my right—and I hope this Chamber will never waive its right—to review a measure, even if despatch is so much to be desired.

Senator PEARCE.—That will not be urged as a reason here.

Senator BAKHAP.—I am sure it will not.

Clause 15, I notice, provides that the war gratuity shall be inalienable except as prescribed—

Except as prescribed, no interest in any war gratuity, or in any Treasury bond issued or to be issued in payment of any war gratuity, shall be alienable, whether by way or in consequence of sale, assignment, charge, execution, insolvency, or otherwise howsoever.

I suggest that in Committee some reservation be made in favour of parents who are prepared to advance money on the strength of the gratuity bonds due to a returned soldier, their son.

Having referred to the only two clauses which I intend to challenge in Committee with the hope of amending them, I content myself by supporting the measure in principle and in detail.

Senator GARDINER.—What about the Naval Reserve men?

Senator BAKHAP.—The Minister has sufficiently indicated his attitude, and I do not feel called upon to further discuss the matter on the second-reading stage. I promised to be brief, and I am going to redeem my promise.

Senator GARDINER (New South Wales) [5.30].—I realize that the Bill should be proceeded with as rapidly as possible, and I shall follow the example set by Senator Bakhap, and be brief. I thank the Minister for Defence (Senator Pearce) for his consideration in permitting me to continue the debate at a later stage, but I shall not press my request. I like to approach the discussion of the Bill irrespective of party considerations or what has been done in another place.

I congratulate the Minister upon the ability he displayed in moving the second reading, and the skill with which he anticipated objections to the limitation of classes as participants in the gratuity. In his off-hand way, the Minister said that if we endeavoured to include another section of men, whose claims for the gratuity appear to be almost as strong as those of the members of the fighting Forces, we would find still another section with claims almost as strong, and that

once the door were opened we might go on extending the scope of the measure indefinitely. But I would like to put Parliament, in relation to this Bill, in the position of a father with a number of children around him, and to whom it is his intention to distribute gifts. This gratuity is a gift. It cannot be claimed as a right, and we, as the representatives of the people, are in a sense the directors in the allotment of this gift. Let us say, then, that a father has drawn his sons around him, and says to one, "I am not going to pay you for your splendid exhibition of courage in this late incident, but in the fulness of my heart I am going to make you a gift. Take your seat there." Another boy he pats on the head, and says, "I am not going to reward you for the dangers you encountered and the death which you faced, but I am also going to make you a gift for the way you comported yourself in this late incident. Take your seat there." Then we will assume that a third son is waiting to be called upon. He also volunteered his aid, and although he was willing, and perhaps more anxious than either of the other sons, to take his part in the late incident, his services were required in another place. Imagine his feelings, then, when gifts were handed to other, and perhaps less deserving, members of his family while he was overlooked.

Senator SENIOR.—You are not stating your case very correctly.

Senator GARDINER.—I think I am, and I say this Parliament should have the right to determine the allocation question of this gift to our men. The Senate should surely face the question of the justice of the claims of those who ask to be included, and if they are equal to others there is no reason to draw the line and say that some must be excluded. I have used this illustration chiefly in regard to the Naval Reserve men and those of other branches of the permanent service. These men not only volunteered, but their services were utilized in Australia during the whole war period. The Minister for Defence stated that certain members of the Naval Forces were not given permission to volunteer at the outbreak of hostilities, but towards the termination of the war they were allowed to enlist. Such men were in charge of big

guns, and were only allowed to leave when vacancies occurred as the result of casualties on the other side. There were many who were quite prepared to go, but the opportunity never came, and, therefore, they are not included. Many of them were serving the country in different ways, and, in doing so, incurred considerable pecuniary loss, as they were receiving the military or naval pay of, say, 5s. per day. It is easy to say that they were merely searching vessels, and that they were not incurring danger. We are not making this gift in consequence of danger incurred. There are hundreds, or, perhaps, thousands, of these men who were called up, and although they were willing to volunteer were prevented.

Senator SENIOR.—Take off the skid; the wheels are dragging heavily.

Senator GARDINER.—I am endeavouring to show that men who were called up for service were prevented by the Government from going abroad. The naval men went through months, and even years, not knowing at what moment they would be required as reserves, and, in consequence, were prevented from pursuing their ordinary occupations. Melbourne was the head-quarters of the naval authorities, and the reservists may have been called up for service at any moment.

Senior SENIOR.—But they were not.

Senator GARDINER.—But they were in the service the whole time.

Senator SENIOR.—The honorable senator claims that as they were not sent abroad they should receive the reward.

Senator GARDINER.—I am more than disgusted—I say, advisedly—when honorable senators opposite, knowing the weakness of their own side, indulge in ridiculous statements, and sometimes falsehoods, in an endeavour to support their case. If I had been looking for an opportunity for the members of the National party, who have misled the soldiers to believe all sorts of things about the Labour party, to appear in their true colours, it would be impossible for me to create conditions that would show them more in their true light than they are showing themselves to-day.

I expressed regret when the Minister stated, during the course of

his second-reading speech, that the question of the payment in bonds as against cash was submitted to the country during the elections and received the approval of the majority of the electors. The Minister and every one else knows that to be false. It is absolutely a misrepresentation of the position. It was originally the policy of the Government—it was stated during the elections, and I can easily prove it—that the gratuity should be paid in cash. That was the position the Government and their supporters placed before the country.

Senator SENIOR.—Never.

Senator GARDINER.—The honorable senator is a representative of the State of South Australia, and I shall quote from a South Australian newspaper to show that what I am saying is correct.

Senator SENIOR.—That is nothing.

Senator GARDINER.—I can quote from a speech delivered by the Prime Minister (Mr. Hughes) to prove conclusively that what I am saying is true. Why keep up this miserable pretence that the elections were fought on bonds *versus* cash? It is ridiculous to say that a majority of the soldiers were in favour of bonds. Surely honorable senators opposite possess sufficient manliness to say that they camouflaged the whole issue and led the soldiers to believe that payment would be made in cash. Although this promise was made on the hustings, immediately the Government were returned to power the tables were turned, and they decided to pay in bonds.

Senator NEWLAND.—That is not correct.

Senator GARDINER.—I shall produce the statement of the Prime Minister, and will then ask the honorable senator whether it is not correct.

Senator NEWLAND. — That does not alter the fact.

Senator GARDINER.—The Minister for Defence claims that the election was fought on this issue, and, having received the verdict of the people, the War Gratuity Bill has been introduced in its present form. If I produce proof to show that what I am saying is correct the responsibility rests upon the Minister and his supporters to contradict my statement.

Senator SENIOR. — I am prepared to contradict it.

Senator GARDINER.—The honorable senator will have the opportunity.

Senator SENIOR. — I accept the challenge.

Senator GARDINER.—I have heard it said by interjection that honorable senators on this side made it an issue at the recent elections and tried to bribe the soldiers by offering a cash gratuity.

Let us get to the real basis of this question. The representatives of the Returned Sailors and Soldiers Imperial League invited the Prime Minister to meet them, and he did so. At the conference the representatives of the League placed their proposals before the Prime Minister, and he promised that the money would be paid. But he said this, "Mark you, it is not going to be a one-sided bargain. If we pay you this, you must support our party at the coming election."

Senator BAKHAP.—What?

Senator GARDINER.—I am saying it deliberately, and with a full sense of the responsibility of a man holding a position in the public life of this country, and who, the electors have shown, can be trusted.

Senator BAKHAP.—How could the action of 300,000 be controlled in that way?

Senator GARDINER.—I am giving the history of this contemptible business, and have stated deliberately that the Prime Minister told the representatives of the League that if the soldiers were paid the gratuity they would have to support the National party.

Senator PEARCE.—What authority has the honorable senator for making such a statement?

Senator GARDINER.—I am the authority.

Senator PEARCE. — Were you at the conference?

Senator GARDINER.—No.

Senator PEARCE.—Then how does the honorable senator know that the statement was made?

Senator GARDINER.—The Minister will have an opportunity of contradicting it if he so desires. I am taking the responsibility of saying that it is true.

Senator NEWLAND.—The honorable senator would say anything.

Senator GARDINER.—It is true, and I challenge Senator Newland to produce one statement that I have made during the whole of my parliamentary career that can be said to be a deliberate misstatement or a falsehood. The record of my utterances here during the last ten years are recorded in *Hansard*.

Senator BAKHAP.—This is the Temple of Truth.

Senator GARDINER.—This is a temple of democracy. The Minister has said that the gratuity was an issue at the recent elections, but I say most emphatically that at the beginning of this business the Prime Minister, at a secret conference with the representatives of the Returned Sailors and Soldiers Imperial League, made it his business to say that if the men were paid the gratuity the Government and their followers should have the support of the soldiers' organization.

Senator BAKHAP.—It could not have been a very secret conference if the honorable senator knows what occurred there.

Senator PEARCE.—The honorable senator must have been there, or some one who was present must have made a statement.

Senator GARDINER.—I am making the definite charge, and challenge any one to say that it cannot be substantiated. It is time Parliament got back to a position consonant with its dignity, as that would be much better for the Parliament, for the Government, and for the people of Australia.

Senator PEARCE.—The honorable senator is trying to introduce into the Federal sphere what has recently occurred in the State he represents—an atmosphere of suspicion.

Senator GARDINER.—I am stating a fact.

Senator SENIOR.—The honorable senator is wrong.

Senator GARDINER.—The Prime Minister, at the request of the soldiers, met and conferred with their representatives and agreed to pay the gratuity in return for their support.

Senator PEARCE.—On behalf of the Prime Minister, I deny the accusation. It is incorrect, and I ask the honorable senator to submit his proof.

Senator GARDINER.—Will the Minister give an inquiry?

Senator SENIOR.—You prove it.

Senator GARDINER.—It is not necessarily a question of arranging some secret inquiry, but merely one of requesting the executive of the League to be called to the bar of the Senate and asked if the statement was made. If the representatives of the soldiers do not support my statement I will not remain here any longer. I am not side-tracking the question, but bringing home the true position to those honorable senators who have said that we used the gratuity as a means of securing the soldiers' support.

Senator NEWLAND.—The honorable senator and his supporters tried to go one better, that is all.

Senator GARDINER.—We said we would pay in cash.

Let me remind honorable senators that the records of this Chamber show that this matter was considered before we went to the country. Before the close of the last session I said that the question of a gratuity to soldiers was likely to be an issue at the elections, and as a sinister atmosphere was surrounding it, I asked whether it was not possible for Parliament to sit a week longer and pass the Bill. The records in *Hansard* will show that such a question was asked. On every platform I said that I favoured payment in cash, but I did not make that statement with a view of getting soldiers' votes. I never put it in such a way that it could be calculated to be an endeavour to win the soldiers' support. I said that a reward, gift, or gratuity—whatever you like to call it—had been offered to a large body of men, possibly 200,000, and that there were two issues before the people—one for payment in bonds and the other for payment in cash. I clearly stated that, in my opinion, nothing could be more harmful to the soldiers than to keep them waiting months or years for some favour from the Government, and that in the interests of the whole community, and not in the interests of the soldiers, cash should be paid. I considered it would pay us handsomely to settle the matter at once. Cannot honorable senators imagine the effect upon hundreds of thousands of men waiting week after week, month after month, or even year after year, for a few pounds that may be due to them and nursing in their hearts the grudge that a pittance was to be given to them in the way of a gift? This was made a test question for one general election, and will be made the same for another. There is no

doubt about that, because the period was fixed for it to be made a test at another election. At the elections, so far as the soldiers were concerned, we got quite as large a share of their support as we deserved. In view of the misrepresentations of the National press and of National speakers, I am surprised at the magnitude of the support that we did get. Now that the returned soldiers know how the Government party twist the result of the last election, and tell the returned soldiers by the Government's mouthpiece, Senator Pearce, and by Mr. Hughes in another place, that they made the question at the last election one of cash or bonds, and that the returned soldiers themselves decided for bonds, so that the Government are only keeping their word, Ministers and their supporters may talk as eloquently as they like, but they cannot stuff that lie down the throats of the returned soldiers. The soldiers know, for they were here; they heard and read everything that was said and done by the Ministerial side. Now that they know how Ministerialists will squirm and turn and misrepresent the position regarding cash or bonds, they will realize how little these members are to be depended on for their version of what happened when they were away fighting, and will measure the Ministerial party accordingly.

There was a demonstration outside the building last night, at which, taking Senator Bakhap's figures, there were 3,000 or 4,000 men present. Senator Bakhap says that that is a very poor percentage of the number of returned men in Melbourne. I say it was an enormous gathering.

Senator NEWLAND.—About 300 people!

Senator GARDINER.—Let me tell the honorable senator how he can estimate the number of persons present. Let him measure the length of the steps outside, and count the number of steps, and he will find that 3,000 is much nearer the number who were assembled there last night. I think these gatherings approaching Parliament are a mistake. I realize that they do not influence honorable senators, but there is something else which should influence them, and that is the sentiment which causes those gatherings. I express my disapproval of the gathering itself, because it was more calculated to create resistance than approval on the part of members of Parliament who are

doubtful. They will simply show their independence and courage, as the soldiers themselves would do, by doing the very reverse of what a gathering in force would want them to do. But honorable senators themselves cannot afford to pass over that indication of feeling by the returned soldiers. I had the privilege of introducing seven representatives of those men as a deputation to the Prime Minister yesterday evening. I heard them put their requests ably, respectfully, and forcefully.

Senator SENIOR.—Did any one of them say that the Prime Minister had promised them cash?

Senator GARDINER.—They were not pressing that point at all.

Senator SENIOR.—Do you think they would have overlooked such a statement as that if it were true?

Senator GARDINER.—I shall prove that statement, and, in doing so, I shall quote specially from a newspaper representing National interests that circulates in the honorable senator's State.

Senator SENIOR.—And I shall quote the Prime Minister's own words.

Senator GARDINER.—I shall quote the Prime Minister's words as reported. The deputation put their case ably and forcefully for improvements in this Bill, including provisions which they think should be put into the Bill. For instance, they urge the extension of its provisions to the Naval Reserve men who were called up for service, and kept week after week, and month after month, away from their ordinary avocations, but who are not put on the same footing as men who volunteered and remained in camp for the same number of months. Take the case of the man who volunteered and went into camp. He enlisted, and was willing to go abroad, but did not go, yet he benefits under this Bill. He gets the gift from the nation. But the other man, who volunteered in like manner, was kept in the service, was willing to enlist, and did not go abroad, is told to step upon the left. The favoured applicant, who did no more, or not as much as he did, goes on the right, but he gets no gift, no reward, no gratuity. The deputation emphasized these things to the Prime Minister, and showed the injustice of them. I am not going to say that they moved the Prime Minister, because it appears to me, not only with regard to Governments, but

with regard to Parliaments, that it is not the justice of the case that appeals to Parliament so much as the question of whether the Government's measure is to be maintained intact line for line and comma for comma. Evidently it does not matter to the Senate, when the Government bring down a measure, whether or not you can show conclusively that there are people just outside the line who ought to be included. The Minister admits that the men referred to are very close up to a claim for inclusion, but he said that if the Government included this lot, for whom we were able to make out a case, somebody else could make out a case for the inclusion of another lot further on, and it would be impossible to draw the line. When this gift is given by the nation, no one should be left out whom the members of the Senate can show to be justly entitled to inclusion. It should not be a question of whether we should open the door for fear that two will come in instead of one, but of whether the one at the door has a right to come in. The Senate should decide these matters only upon the question of the absolute right of the claimant to participate, so far as that right can be settled. This deputation was representative of that great gathering, because it was a great gathering. They had another gathering on Sunday. In fact, they are gathering in numbers from one end of the country to the other, and that fact should be remembered by Ministerialists, who say that we wanted to outbid them at the election for the soldiers' votes.

I foresaw before the last election the evils of having to fight the issue of whether a large number of the people were to get benefits from the Treasury or not. Senator Bakhap began his speech by an historical reference to some one who was called to a position of authority because he had the wealth to distribute. This question will also be read in cold type in the pages of history. It will go down to posterity as an historical fact that a Government with a majority of supporters in both Houses of Parliament won their position by the hugeness of the bribe which they offered to a certain section of the community for their support.

Senator BAKHAP.—What was your offer?

Senator Gardiner.

Senator GARDINER.—I would not have offered anything. If I had been a member of the Government, I would have said, "Bring the Bill into Parliament, and let Parliament decide to pay them. If Parliament so decides, pay them immediately, and, if not, nothing should be given."

Senator BAKHAP.—How can you call it a bribe when you say that you endeavoured to outbid us?

Senator GARDINER.—The honorable senator has never heard me say that we endeavoured to outbid the Government for the soldiers' support. As soon as we became aware of what the Government were doing, we offered to meet the Government so as to pass the measure before Parliament rose, and so get the matter settled.

Senator BAKHAP.—On what basis?

Senator GARDINER.—On the basis that the business would wear the sinister aspect of being a bribe, if it was held out as a bait during election time. There would have been nothing wrong if Parliament, as the representatives of the nation, had decided to make a gift to the soldiers. The proper course for the Government to take was to put their views before Parliament in the shape of a Bill, pass the Bill, and pay the money. But when they promised to make it a gift, as asked by the returned soldiers from the Prime Minister, and granted by the Prime Minister on the condition that the returned soldiers should in return work for the Government during the election, they did a great wrong.

As the Minister for Defence addressed himself to this point, I wish to make a quotation. The Minister, when in Perth, said that he had telegraphed to the Prime Minister, and had received confirmation of the report that an arrangement had been made with the banks for the cash redemption of the bonds.

Senator PEARCE.—What paper does that appear in?

Senator GARDINER.—It appears in the *Age*, and is headed "Defence Minister on the Gratuity." It reads—

Perth.—In his speech on Tuesday night, Senator Pearce referred to the war gratuity. He said that the financial conditions of the country made a cash payment impossible, but that he had telegraphed to the Prime Minister, and had received confirmation of the report that an arrangement had been made with the banks for the cash redemption of the bonds.

Senator DE LARGIE.—Then there was a subsequent publication.

Senator GARDINER.—Of course there was, but the Minister for Defence has said to us, "The issue you put before the country was that we said 'bonds' and you said 'cash.'"

Senator PEARCE.—Long before the election occurred, that quotation was corrected, and the Prime Minister's actual statement was given.

Senator GARDINER.—Even if the Minister made the correction—and I am not going to hold him responsible for the corruption of the press of Australia—he knows that a corrupt press would never undo what his statement had done, because that statement deliberately misled the soldiers. Although his first statement appeared, I venture to say, in every Nationalist paper in Australia, I am sure that his correction appeared in none of them.

Senator PEARCE.—Yes, it did.

Senator GARDINER.—I invite the Minister in his reply to produce his correction.

Senator PEARCE.—In this case they did me unusual justice, because they gave my correction the same space as they gave to the first statement.

Senator GARDINER.—Probably it was like Mr. Hughes' withdrawal. Some honorable senators opposite will say that Mr. Hughes never offered cash. There are quite a number of things that Mr. Hughes said on this matter. When in Adelaide, he is reported by the *Register* to have said that the Government "had made an arrangement with the banks whereby the soldiers who wanted cash for their bonds could go there and get it."

Senator SENIOR.—What date?

Senator GARDINER.—That is an extract from the *Register* of the 11th November, 1919. The election took place on 20th December, and there is the Minister's statement as reported in the *Register* not much more than a month before.

Senator SENIOR.—That is only part of what he said.

Senator GARDINER.—I shall give more before I have finished. The Government claim that they won the election on their promise to give bonds, that the soldiers themselves approved of bonds, that

the community supported bonds, and that, therefore, this Bill is to make the payment in bonds, as the Government said they would make it. Honorable senators opposite know very well that, by the mouth of the Minister for Defence, by the words of the Prime Minister, and by the whole of the Nationalist press of Australia, the Ministerial party promised that they would pay the soldiers in cash.

Senator SENIOR.—That statement is absolutely contrary to fact.

Senator GARDINER.—They repudiate it now that they are safe in their seats, and the returned soldiers will know how to value their misrepresentation of our party. They will know that all that the Ministerialists said about our actions during the war can be measured by their conduct on this occasion. I never ask to have any Government in a more despicable position than this Government occupies, in trying to stuff down the throats of the soldiers the statement that the election was fought on the issue "The Government offer bonds and the Opposition offer cash." So far from the Government carrying the flag of bonds and us carrying the flag of cash, the Ministerialists told the returned soldiers from every platform, and in all their press organs, that in return for their support they would give them payment in cash.

Senator PEARCE.—I wish I had some of your Labour literature that was issued under the title "Cash or bonds."

Senator GARDINER.—I have kept a very useful record of it.

Senator DE LARGIE.—That must have been some of it that you were quoting from.

Senator PEARCE.—"Do not take Hughes' Promissory Notes."

Senator GARDINER.—I know that a prophet is not without honour save in his own country, but the Prime Minister's promissory notes are now pretty long dated. They were to be negotiable immediately, but now they cannot be cashed until 1924. Let us look at this matter as men, and not as members of a political party. What is the reason for postponing the payment of the gratuity? Is it difficult to raise the money now? If it is, how much more difficult will it be in four years time? Is there a man conversant with the financial affairs of the world who

can complacently say, "We will issue bonds, payable four years hence, because it will be easier to pay them then than it is now." The individual who can say that does not appreciate the dangers to be encountered during the next four years. I would pay these bonds in cash now, even if we had to increase our note issue.

Senator SENIOR.—And thus increase the cost of living.

Senator GARDINER.—That is why the honorable senator is here. He owes his election to the profiteers.

Senator SENIOR.—Why is the honorable senator here?

Senator GARDINER.—Clearly, I am here by the design of Parliament. Nothing else can account for my election. The organization of the National party was so complete, and our electoral machinery was so effective in preventing the Labour party from securing representation here, that my return seems little short of a miracle.

An honorable senator said just now that I was not quoting from a newspaper. But I extract the following from a report published in the *Sydney Morning Herald* of 7th November last:—

Mr. Curtis said he had received a statement from Mr. Hughes to read to the meeting in regard to the gratuity. According to this, Mr. Hughes promised—

- (1) Immediate distribution of bonds on the assembling of Parliament.
- (2) Bonds will be taken by banks and Repatriation Department as the equivalent of cash in purchase of land and houses.
- (3) Cash will be paid in all urgent cases, and where a soldier marries or a soldier's widow remarries.
- (4) The Government will redeem in cash by May, 1921, not less than £12,000,000 sterling.

Mr. Hughes pointed out that the bonds cashed by the banks and Repatriation Department would probably amount by that date to £10,000,000, so that the Treasury would have to arrange for the redemption of over £20,000,000 in this period.

Here are two sums mentioned. The Government undertook to redeem £12,000,000 worth of bonds by 1921, and the banks and the Repatriation Department, we were assured, would probably redeem an additional £10,000,000 worth. That accounts for £22,000,000 worth of bonds which could be cashed by 1921. Yet not merely the Minister for Defence, but his supporters, now say that this question was an issue at the recent election, and that one political party declared in

favour of payment by cash, whilst another professed itself in favour of payment by means of bonds. But, by the mouthpiece of the Prime Minister the National party said that bonds to the extent of £22,000,000 would be redeemed by 1921.

Senator SENIOR.—No.

Senator GARDINER.—The honorable senator has gained quite a renown by making reckless statements, and this is another evidence of his ability in that direction.

Senator SENIOR.—The honorable senator knows that his statement is incorrect. I never make reckless assertions. I rise to a point of order, and ask that the honorable senator should be compelled to withdraw his statement.

The PRESIDENT (Senator the Hon. T. Givens).—I did not hear the expression to which exception has been taken, but it is a well-known rule of the Senate that any statement, even if it be not offensive in itself, if it be so regarded by the honorable senator concerned, must be withdrawn. I therefore ask Senator Gardiner to withdraw his statement.

Senator GARDINER.—You know, sir, that I am always anxious to comply with your ruling. But there is a limit beyond which I ought not to be asked to go. If I am not permitted to say that an honorable senator's statements are reckless, that they are usually reckless, and that he has a reputation for making reckless statements, I shall be prevented from speaking at all.

The PRESIDENT.—The honorable senator is mistaken in saying that I am seeking to impose a limit upon his use of language. Our Standing Orders and the rules and practice of the Senate impose the only limitations in that connexion, and I am bound to give effect to them. It is a well-known rule that even if the language used by an honorable senator cannot be literally construed as offensive, yet if it be so regarded by the honorable senator concerned, it must be withdrawn. Senator Gardiner knows that, and in conformity with the usual practice of the Senate, and for the maintenance of its dignity, I think that he ought to withdraw his statement.

Senator GARDINER.—I am inclined to think, sir, that you are overlooking the fact that I used no unparliamentary language. If I withdraw my statement, I shall be consenting to a curtailment of

my rights as a member of this Chamber. I will, therefore, substitute for my original assertion the statement that Senator Senior persistently makes mis-statements, and gives utterance to falsehoods here. Having said so much, however, I now most unreservedly withdraw all that I have said.

Senator SENIOR.—I rise to a point of order. Has the honorable senator a right to impute falsehoods to me?

Senator GARDINER.—Having withdrawn the statement which I made, I desire to know whether the matter can be further discussed?

Senator SENIOR.—When Senator Gardiner was speaking, he used the word "falsehoods," imputing that the statements which I had made were falsehoods. I say that they are not falsehoods, because I hold the statement of the Prime Minister on the matter in my hand.

The PRESIDENT.—It does not matter whether the honorable senator holds the statement of the Prime Minister in his hand or not. Senator Gardiner was not justified in applying the term "falsehoods" to any statements by the honorable senator. However, I think that he used it only by way of illustration of what he might have said, and then unreservedly withdrew it.

Senator GARDINER.—The South Australian Register of 11th November, 1919, contains the following statements by Mr. Hughes:—

I gave the league everything it asked for except the increased pensions.

Later on, he said—

I am going right on to the soldiers themselves. When I agreed to everything that the league asked for, what more could I do?

Later on, under a separate heading, and still quoting from the Register—

Senator SHANNON.—A reliable newspaper.

Senator GARDINER.—If the honorable senator will send me a copy of it, I will preserve it as a curiosity, because a reliable newspaper on political matters in Australia is worth keeping. Under the heading of "Cash Promised," I find the following in the journal which I have mentioned:—

Mr. Hughes has made arrangements with the banks whereby the soldiers who want cash for their bonds can go there and get it. (Thunderous applause.)

Yet Senator Senior affirms that the issue at the election was "Bonds or cash." Senator Bakhap has said the same thing.

But he knows very well that if I could trot out his speeches during the recent election campaign, I should find that the soldiers were promised bonds which could be cashed immediately.

Senator BAKHAP.—I never dealt with the gratuity question in my addresses.

Senator GARDINER.—I beg the honorable senator's pardon. He was not up for election, and had no occasion to mention it. I was inclined to let this matter pass without discussion, because I see no advantage to be derived by any party as the result of angling for the support of a large number of people by holding them in suspense in the expectation that they are to receive something from the Government. The soldiers themselves asked for this gratuity, which originated with their representatives in meeting assembled.

Senator PEARCE.—No.

Senator GARDINER.—I am afraid that the Minister was in England at the time.

Senator PEARCE.—The Government was collecting information in regard to the matter during 1918.

Senator BARNES.—It originated at the Paris Conference.

Senator GARDINER.—I quite realize that when the Minister left Australia he intended to keep the Government informed of what was taking place elsewhere. I do not suggest that the Government had not in their mind the payment of a gratuity. But what really happened was that the soldiers themselves invited the Prime Minister to meet them for the purpose of discussing the question of the granting of a gratuity. Mr. Hughes, shrewd man as he is, then said to them, "Very well. If we give you the gratuity, you must do your part at the elections."

Senator PEARCE.—That is quite an imaginary charge.

Senator GARDINER.—I challenge the Minister to summon to the bar of this Chamber the men who were present at the meeting.

Senator PEARCE.—Upon an imaginary charge.

Senator GARDINER.—It is a charge which I make as a representative of the people. Mr. Hughes was going to pay in cash. Let me repeat his statement—

The Government has made arrangements with the banks whereby the soldiers who want cash for their bonds can go and get it. (Thunderous applause.)

With that stuff published in every newspaper in Australia, what can honorable senators opposite think will be the opinion of the soldiers concerning them when they persist, as Senator Senior and others do, in saying that the soldiers were never offered cash?

Senator SENIOR.—Nor were they.

Senator GARDINER.—Of what use is it for honorable senators to try to dodge the difficulty in the face of the printed evidence I have quoted?

Senator SENIOR.—Is that statement signed by Mr. Hughes; because I hold his signature here?

Senator GARDINER.—This appeared in the public prints, and I suppose it was referred to by every candidate on the Opposition side, and I challenge honorable senators to produce the evidence that it was contradicted.

Senator PEARCE.—Would the honorable senator care to be judged by everything that has appeared in print about him?

Senator GARDINER.—No, but I think that I do not unfairly judge the Prime Minister when I say that if something that was not true was published about him he is just the man to send a contradiction along.

Senator PEARCE.—He did do so.

Senator GARDINER.—I challenge the honorable senator to produce the contradiction.

Senator REID.—Senator Pearce has produced it already.

Senator GARDINER.—No, he has merely made a statement. In the course of his reply to this debate the Minister may produce evidence that the statement I have quoted was contradicted. If it was contradicted there is surely some record of it. He will have the dinner hour in which to search for the contradiction, and if he does not produce it I shall go down through my life imagining that no contradiction of the statement was ever made.

Senator PEARCE.—The honorable senator is to be judge and jury.

Senator GARDINER.—I am asking for proof, and I am willing, in fact, no one is more willing, no matter how much we may disagree, to be sometimes fair to the honorable senator.

Senator SENIOR.—The honorable senator is playing a game of bluff, and nothing but a game of bluff, all the way through.

Senator GARDINER.—If I were bluffing I should take no notice of Senator Senior. To show how fair I wish to be, I shall quote something from the *Age* of the 22nd November, 1919, which some persons may claim as a contradiction of the previous statement I have quoted. In the *Age* Mr. Hughes is reported to have said—

The sum of £6,000,000 would be paid in cash as soon as the gratuity scheme was completed. The bonds would be accepted by the Repatriation Department in payment for homes and furniture and businesses, and a further £10,000,000 would be redeemed by 1921, and the bonds would be taken up by the employers under the arrangements as completed.

Was not that a complete statement that the bonds were to be taken up? The Repatriation Department, the Government, and employers were to cash them. I only refer to the matter because honorable senators are trying to justify their adherence to the payment of the gratuity in bonds as if the last election were fought by our party saying that the payment should be in cash and the National party saying it should be in bonds, and that as they won they are now only carrying out the will of the people.

Many more quotations might be made from speeches of the Prime Minister, and I might quote from a number of other members of the party opposite if that were worth while. The quotations I have made from the Prime Minister go to show that he very cleverly led his hearers to believe that the soldiers would get the gratuity in cash.

Senator DE LARGIE.—Some one offered the soldiers bonds. Who was it?

Senator GARDINER.—The soldiers were led to believe that they could get the bonds cashed by the banks, the Repatriation Department, and business men. The Prime Minister very cleverly led the community generally to believe that the payment would be in cash.

Senator PEARCE.—Does not the honorable senator think that Senator de Largie's question is a very pertinent one?

Senator GARDINER.—I did not hear it.

Senator PEARCE.—The honorable senator asked who it was that offered non-negotiable bonds?

Senator DE LARGIE.—Some one offered cash, and some one offered bonds. Who was it offered bonds?

Senator GARDINER.—I can understand the Prime Minister going to the returned soldiers for their support and offering to pay them a gratuity. I can understand that he then said, "Remember, it is not going to be a one-sided bargain. We give a gratuity, but you have to work for us at the election," and then telling the innocent public that the gratuity was to be paid in bonds. It is quite possible that many felt the menace to the country if thousands and tens of thousands of men could not get what they are entitled to. If it is felt that the nation is called upon to make a gift to the returned soldiers, it should be made without any conditions at all, because the country is wealthy enough to afford to do that.

Senator PEARCE.—The honorable senator has not yet discovered the party who offered the bonds to the returned soldiers.

Senator GARDINER.—The Prime Minister is the party who offered the bonds, and when he found that that was causing some consternation—not in our ranks, because he did not bother about us, but in the ranks of his soldier supporters—he backed and filled, as he always does, and said, "I will give you bonds, but will make them negotiable. The Repatriation Department will take them, the Government will redeem £10,000,000 of them by 1921, and the banks and employers will take the bonds." The right honorable gentleman still says that the banks will take the bonds, though I do not know whether under this Bill that could be allowed.

Senator REID.—Some of them will, if it pays them. They will take them by way of protection of an overdraft.

Senator FOLL.—Does the honorable senator consider that the central executive of the Returned Sailors and Soldiers Imperial League did wrong in agreeing to the payment of the gratuity in bonds?

Senator GARDINER.—I am not saying that they did wrong. I say that the Prime Minister did wrong in bargaining with them for their support on the eve of an election. I know that Senator Foll is not capable of realizing what a wicked thing that was to do.

Senator FOLL.—I say that no party can barter anything with the Sailors and Soldiers Imperial League.

Senator NEWLAND.—According to Senator Gardiner they would barter their souls away.

Senator GARDINER.—I agree with Senator Newland that the National party would barter their souls away. I take it that I am correctly interpreting his interjection.

Senator NEWLAND.—According to the honorable senator they would barter their souls away. That is the opinion he has of the executive of the Returned Sailors and Soldiers Imperial League.

Senator GARDINER.—Adopting the words of Senator Newland, I say that the National party bartered their souls for their political existence, and contaminated the public life of this country by a stain that can never be wiped out.

Senator NEWLAND.—That is the honorable senator's groundless charge again.

Senator GARDINER.—They degraded the whole community of Australia, and particularly the returned soldiers, by putting them in the unfortunate position of men who had a bribe dangled before them for their votes.

Senator NEWLAND.—That is the honorable senator's charge, but there is not an ounce of truth behind it.

Senator GARDINER.—I do not care what Senator Newland's opinion of our party may be, particularly in view of the statements he made concerning this party, because of the attitude we adopted and because we would not smodge to the soldiers, or to any one else.

Senator PEARCE.—But when they came back honorable senators opposite smodged to them right enough.

Senator NEWLAND.—Of course, they have been smodging to them ever since they came back.

Senator GARDINER.—The soldiers now know the type of men who misrepresented our attitude. They know that the men who now say that they never promised the gratuity in cash are persons whose word cannot be trusted for five minutes. They will know that in this Parliament they have had the audacity, in the face of the printed statements in their own newspapers, and uncontradicted by the Prime Minister or the Minister for Defence, that the bonds were to be cashed wherever they could be cashed, to continue to deny that cash was offered.

Honorable senators opposite are not prepared to face this question as a matter of doing absolute justice to men who served under all conditions. They are not prepared to listen to the reasonable claims put forward by returned soldiers even while this Bill is under consideration. One of the things for which the deputation asked was an extension of the percentage of the gratuity to be paid in cash. The deputationists were the most moderate men who were ever listened to. They told the Prime Minister that, as he knew the conditions of the country at the present time, if he said that the Government could not pay the whole of the gratuity in cash they might agree to increase the percentage to be paid in cash. If honorable senators opposite had at heart the interests of these men, in view of their power in the Senate, they would carry some amendment of the Bill to increase the percentage of the gratuity to be paid in cash.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator has exhausted his time.

Senator GARDINER.—No, sir, I think I have an hour and a half.

The PRESIDENT.—That is not so.

Senator GARDINER.—Should I be in order in moving the suspension of the Standing Orders to permit me to continue?

Senator PEARCE.—I desire to give the honorable senator the fullest opportunity to debate the measure, and I believe honorable senators generally agree with that. I am prepared to move that he be given an extension of time.

Senator GARDINER.—Give me another half-hour.

The PRESIDENT.—Only a Minister or member in charge of a Bill on the second reading is entitled to more than an hour. As I do not think we should encroach upon the dinner-hour I shall resume the chair at 8 o'clock.

Sitting suspended from 6.30 to 8 p.m.

Extension of time granted, on motion by Senator Pearce.

Senator GARDINER.—I thank the Senate. This is the first occasion on which I have accepted an extension, and I do so only because of the importance of the measure under consideration.

I find I have occupied a considerable amount of time over the argument as to whether the recent election was fought by the Labour party standing for the payment of the gratuity in cash, and the Nationalists for the payment in bonds, and I propose now to quote extracts to show that the Nationalist party and the Nationalist press from one end of Australia to the other declared that bonds would be paid and that they could be cashed immediately. The *Sydney Daily Telegraph* on November 12th, 1919, made the following statement in a telegram from its Adelaide correspondent:—

BANKS TO PAY CASH FOR BONDS.

ADELAIDE, Monday.

Addressing a crowded meeting of returned soldiers called by him in the Adelaide Town Hall to-day, the Prime Minister (Mr. Hughes) announced that arrangements had been concluded with the banks to give cash for the gratuity bonds.

Mr. Hughes said: The Government have made arrangements with the banks whereby the soldiers who want cash for their bonds can go there and get it. (Thunderous applause.) The banks will hold these bonds exactly as they hold war loan scrip. They are the best security in the world, that is if you have faith in yourselves and the Commonwealth.

A Voice: When will these bonds be delivered?

Mr. Hughes: When Parliament meets.

In order to be perfectly fair to the Prime Minister I shall now quote an extract from the *Sydney Evening News*—

Questioned at Ballarat to-day concerning the war gratuity, Mr. Hughes said that he was not correctly reported at Adelaide in saying that he had made arrangements with the banks to cash war gratuity bonds. What he did say was that he would make arrangements with the banks, and not that he had.

The *Sydney Sun*, on the same date, published the following statement from the Prime Minister—

I did not say that I had made arrangements with the banks to cash the bonds. What I said was that I will make arrangements with the banks, and most certainly I will.

On the 7th November a returned soldier, Lieutenant Cortis, is reported by the *Sydney Evening News* to have made the following statement:—

Lieutenant Cortis this morning said with regard to his negotiations with Mr. Hughes and the gratuity question: "The Prime Minister gave us a lot of his valuable time yesterday, and took the trouble to secure the advice of leading bankers, who said they were prepared to accept the bonds as collateral security against their client's account in the purchase of houses, land, &c. This to my mind, makes the bond equal to an order for goods."

The Sydney *Daily Telegraph* of 11th November, under the heading, "Cash Over the Counter," stated—

THE GRATUITY BONDS.

Banks Will Pay.

Prime Minister's Announcement.

Bonds will be issued which will be reserved for repatriation purposes. The banks will also receive bonds as collateral security.

That was, not enough, so the *Daily Telegraph* printed the following in bold, black letters—

The Government have made arrangements with the Savings Bank and all the associated banks by which the soldier who wants to cash his bond through other than the Repatriation Department will be able to go to the banks and get cash for it.

The following statement appeared in the *Sydney Morning Herald* on 20th November—

The Treasurer is proceeding with negotiations with the banks, and it is hoped that a still more liberal system of cashing bonds will be arranged in the course of the week.

I need not quote any further, seeing that I have produced statements in the leading newspapers of the Commonwealth to dispute the statement made by Senator Senior. The Melbourne newspapers stated, while the election campaign was in progress, that the gratuity would be paid in bonds that would be redeemable by the Government up to a certain amount in 1921, by the Repatriation Department, and by business firms; and I could quote a long list of business men in my own State who have given an undertaking to cash the bonds. If in the face of these quotations Senator Senior, Senator Pearce, or the Prime Minister will persist in declaring that the issue at the recent election was cash or bonds, and that the election was won by the Nationalists on that issue, all I can say is that I despise their mental attitude. The Labour party made it quite clear that if returned to power it would pay the gratuity straight out in cash, and the Nationalist party said that they would pay in bonds, which would be as good as cash, because they would be redeemable immediately.

In the Bill there are several matters with which I shall have an opportunity of dealing in Committee. I invite the attention of honorable senators particularly to the position of men who enlisted but did not go to the Front. They are to be allowed 1s. per day, and I want to compare their position with that of the

Naval Reserve men who were called up for service and for weeks and months were clamouring to be allowed to go. They were held in readiness by the Government for any emergency. Surely honorable senators can imagine their feelings when they find that men who enlisted in the Australian Imperial Force but did not go to the Front are to receive the gratuity while they themselves are shut out. It may be easy to pass over this injustice by saying that they were not engaged on dangerous duties. Neither were the men who were training in camp; and, after all, it is not proposed to pay more to the man who performed some daring deed during the war. The gratuity is based on service, and so I say there should be no distinction between the naval reserve men and members of the A.I.F. in camp. Both sections volunteered for service, but neither was sent away. I appeal to the Government to meet the Senate reasonably in this matter. We should not dodge the issue by declaring that we shall be opening the door to other claims. Each claim should be decided upon its merits. If it is fair that the gratuity should be paid to Naval Reserve men, they should get it. Take the case of a man who went with the A.I.F. to Britain, became engaged in office work there, and for some reason was returned to Australia within twelve months, and in another six months found himself back in his old position. If I read this Bill aright, he will be paid a gratuity right up to the end of the war. The Senate is rapidly losing the position it was intended to occupy. It is just as amenable to party influences as is the other House, but on a measure such as this we should endeavour to hold the balance as evenly as possible between all sections of the community. I realize though that this is a Bill upon which we can only make requests.

THE PRESIDENT (Senator the Hon. T. Givens).—I remind the honorable senators that this is a measure which the Senate may amend.

Senator GARDINER.—I am glad of your assurance Mr. President, and in Committee I shall ask honorable senators to assist me in amending the Bill in certain directions, irrespective of the warning issued by the Minister that the inclusion of another section will so widen the scope of the Bill as to render it advisable to consider other classes of cases.

Senator EARLE.—Will the honorable senator agree to restrict the operation of the Bill to those who went into the firing line?

Senator GARDINER.—No.

Senator EARLE.—Well, what about the mercantile marine?

Senator GARDINER.—Let us deal first with the Naval Reserve men. I have not sufficient knowledge to speak with authority, but I discussed this matter with a man who has given it some study, and was informed that about £150,000 would cover all the claims likely to be made by members of the Naval Reserve Forces.

Senator PRATTEN.—More than that.

Senator GARDINER.—In view of the fact that we are dealing with about £28,000,000, why should we do an injustice to one section of the community when such a comparatively small amount is involved? It has been said that the naval reservists were engaged on home service work and were not subjected to risks, but I have seen one man who was wounded as the result of an accident, and I have been told of another who, owing to the accidental discharge of a firearm, was injured in the lungs. These men, therefore, were exposed to danger, so why should they be shut out? The Senate will be well advised if it considers each claim upon its merits, and grants the gratuity to the naval and military reservists who were called up and who volunteered. Why should not these men, who were prepared to go to the Front, be placed on the same basis as those who were in camp, and who did not go abroad? It is the duty of the Senate, when the opportunity comes, to include these men in the provisions of the Bill.

Senator DE LAEGIE.—Should the munition workers be included?

Senator GARDINER.—Yes. The munition workers had to take risks in crossing the sea, and, in my opinion, their work was as instrumental in bringing success to the Allied arms as was that of the men engaged in the trenches.

Senator REID.—Where would the honorable senator draw the line?

Senator GARDINER.—We are out to do justice to men who offered their services to their country in its hour of peril, and why should we draw the line? I opened my speech this afternoon by illustrating the case of the father who was

dealing out rewards to his children for services rendered, and showed the inequality of drawing any line whatever between one boy and another. I am not going to attempt to draw it. Let the Government do it.

Senator REID.—They have done it.

Senator GARDINER.—They have, and I am not at all satisfied with the way in which it has been done. We are sent here as representatives of the people, and are responsible for our actions on their behalf. I ask honorable senators not to be led away by the statement that by granting a gratuity to one section we are opening the door to other sections. When the measure is in Committee it is my intention to move that men such as those in the Naval Reserve, who are not now entitled to consideration, shall be included; and I ask honorable senators to carefully review the whole position to see that, in fairness and justice to the men, this gift of the nation shall be extended to them. Why should there be any distinction between the men in the Naval Reserve and those who were in camp and who did not go abroad? I am open to conviction, and if I am wrong I am prepared to admit it. What is the real issue? I have endeavoured to show that both parties dealt with this question exhaustively on the hustings. The Labour candidates stated openly to the electors that they were in favour of a cash payment, and the Prime Minister and his followers that they would give as good as cash by issuing negotiable bonds.

Senator GUTHRIE.—Can the honorable senator suggest where we are going to get the money?

Senator GARDINER.—Does Senator Guthrie think that the country is not in a position to pay cash?

I read a recent report of the Acting Treasurer (Sir Joseph Cook) in regard to our note issue. This Parliament, in its wisdom, decided that the gold reserve must not be lower than 25 per cent. of the note issue. According to the statement issued by the Acting Treasurer, I think this week, against the £57,000,000 worth of notes issued there is a gold reserve of 43 per cent. According to a rough calculation which I have made, it would appear that there is, therefore, a gold reserve of approximately £34,000,000. If

that is so, approximately £90,000,000 worth of notes could be issued, and the necessary cash could therefore be made available without in any way straining the note issue. If it is true, as has been said, that many of the recipients of the gratuity would squander their money, we would soon be able to get our note issue back to its ordinary position. The question of paying cash instead of issuing bonds should be considered honestly and fairly. I believe in paying the gratuity in cash. A loan could be floated, and the soldiers permitted to take up negotiable bonds to the extent of the amount due to them. I believe it would be an easy matter to raise £20,000,000 in Australia for a loan to pay the nation's gift, and that the additional amount required could be paid out of the note issue.

Senator DE LARGIE.—Ask the soldiers to take up a loan to pay themselves?

Senator GARDINER.—Give them an opportunity. Allow them to take up bonds exactly the same as the bonds that I and other senators hold in the war loans.

Senator DE LARGIE. — “Frenzied finance!”

Senator GARDINER. — “Frenzied finance,” if the honorable senator so desires to term it. Many persons who cannot claim to have done anything in connexion with the war have taken up bonds, and are receiving $4\frac{1}{2}$ per cent. interest for those issued under the first loan, and 5 per cent. for those issued later, but men who have rendered splendid service to the Empire are not to receive the same privilege.

Senator REID.—The honorable senator cannot negotiate his bonds.

Senator GARDINER.—I can go to the Stock Exchange to-morrow and get £95 or £96 for a £100 bond, if I so desire. Let us take the position of the man who risked all. He is to be given a non-negotiable bond, whereas the man who invested only what he could spare, and who did not do anything, is handed a negotiable bond with which he can do what he likes. Notwithstanding this, honorable senators are prepared to say that we are making a free gift to the men. We are saying that they deserve consideration, but that we cannot trust them. Some would be reckless and I do not blame them, but a majority of them would be as staid as others, and would handle their money carefully. It

would be an easy matter to place £20,000,000 worth of additional bonds on the Australian market at once, and pay the balance in cash. There are no great difficulties in the way, and it would prevent further pandering to the soldiers for their vote, and I say that with every respect to the soldiers. I am in favour of a cash payment, because I do not want this bargaining to continue. It is undesirable to have a large body of men waiting on the doorstep of the Government for favours. I do not want another election fought on such a question as this. I do not want to see gathering crowds in the front of this building requesting the members of this Parliament to give men their dues. I do not want agitations from one end of the country to the other, and repeated requests from men who have done their share, and who have been promised everything. The Government have said that they cannot pay the men for four years, and there is growing dissatisfaction in the ranks. This country will be well advised if it immediately throws aside all that has passed, and faces the difficult problem courageously. The sooner we settle with the soldiers the better, as it is miserable and deplorable to keep men waiting month after month, and year after year, for that to which they are now entitled. It is despicable to think that there should be delay after the statements of the Prime Minister that the bonds were to be negotiable by the banks, and now to say that they will be tied up until May, 1924.

Senator GUTHRIE.—Fully five-sixths of the men assembled outside this building have never been to the Front. They are “cold-footers.”

Senator GARDINER.—Is the honorable senator in a position to judge the men outside?

Senator GUTHRIE.—I have been amongst them.

Senator GARDINER.—One has only to meet the men to realize that they believe that the nation has made a promise and should keep it.

Senator Pearce argues that the money in the banks is not an indication of the wealth of the country, and that the stocks of the warehouses will need to be replenished before we are financially sound. The Minister argues that goods must be imported and paid for.

Senator PEARCE.—The banks hold the paper.

Senator GARDINER.—There is over £300,000,000 sterling in the hands of 15,000 people.

Senator GUTHRIE.—How much has the honorable senator?

Senator GARDINER.—It is not much, and it is not much to say that a nation that enables 15,000 people to hold £300,000,000 is in a position to pay this gift in cash. The men whose claims we are considering fought for the protection of that wealth, and surely we can raise £28,000,000 to discharge our debt. A man who invests £100,000 in war bonds, draws £5,000 per annum from the people in the form of interest, and would any one say that we desire to repudiate that debt? We are paying interest because the money was paid to the nation when it was needed. We would shudder if any one even suggested repudiation. This is a debt just as honorable and deserving. It would be a financial wrench, as I know there are difficulties in the way; but, personally, I prefer to meet my obligations to-day rather than put them off until to-morrow, and the Government should meet their liabilities in the same way. It is outrageous to suggest that the money cannot be found when we realize that if the war had lasted three months longer it would have meant the expenditure of millions more. If the Minister for Defence had had his way, and had sent 16,500 men per month from Australia, it would not have meant the expenditure of a paltry £25,000,000 sterling, but something approximating £225,000,000.

Senator REID.—The war might have terminated earlier.

Senator GARDINER.—Surely an honorable senator who makes such a stupid interjection does not imagine that a few hundred thousand more Australians would have been responsible for the termination of the war, and that they could have done what the Allied Forces with 7,000,000 men could not do. Does Senator Reid think that an additional 200,000 men from Australia would have been instrumental in bringing that terrible conflict to an earlier termination when it took the United States of America with her millions to hasten victory?

Senator PEARCE.—It was an army of 40,000 Australians that first started the walk back to Germany.

Senator GARDINER.—The Minister knows perfectly well that when he first asked for this additional number of men they would have made very little difference. If the war had been conducted as the Minister for Defence desired, more than £25,000,000 would have been needed long before the signing of the armistice, and now the Government are refusing to pay in cash £28,000,000 in discharge of a just and honorable debt.

Senator GUTHRIE.—And you would not send men.

Senator GARDINER.—If the financial position is as bad as the Government would like us to believe, it is a good thing for Australia that more men were not sent. We would not have then been considering the payment of a gratuity, but the question of getting the men back, and in doing so we would have had to strip the country of practically everything. The record of the Labour party in this connexion is a good one, as 256,000 men were sent overseas when a Labour Government were in office, and only 70,000 men were sent after there had been a change in the Administration. We are frequently asked whether the money is available to pay the gratuity in cash, and I give an emphatic reply in the affirmative. It is an easy matter to raise a loan in which the soldiers can participate and hold negotiable bonds, as do other members of the community. At one time our financial advisers said that the Government dare not ask for more than £10,000,000, but the country stood up to its obligations, and without any difficulty £22,000,000 was raised. If the Government were to ask for £20,000,000 they might get £40,000,000. Such a proposition as that I have outlined would appeal to the best sentiments of the Australian people, and I trust the Government will review the whole position, shoulder their obligations and pay in cash. That would be the best day's work they have ever done.

Senator SENIOR (South Australia) [8.30].—I should not like to charge Senator Gardiner with making rash and in-

accurate statements, although that would not be difficult to prove. So far as rash and inaccurate statements are concerned, all it would be necessary to do would be to read what Senator Gardiner has said. It would be a work of supererogation to charge him with making rash statements, because every one who knows him or reads his speeches is aware that he is rash in his statements, and so far as inaccuracy is concerned that has to-night been characteristic of his whole speech. He has taken newspaper paragraphs, and put them into the mouth of the Prime Minister (Mr. Hughes), with the emphatic assertion that they are the Prime Minister's statements. He has taken small paragraphs, and pierced them together, and would have us believe straightway that the result represents what the Prime Minister said. He must know that that is not correct.

Senator BARNES.—You do not know half of what the Prime Minister has said.

Senator SENIOR.—I do not, and I have never claimed that I did.

Senator BARNES.—You are sponsoring his statements.

Senator SENIOR.—I shall leave him to sponsor his own statements over his own signature, and give the date. Then if Senator Gardiner is an honorable man, as he frequently puts it to other honorable senators, it will be for him to withdraw the inaccuracies that he has uttered to-night. Instead of charging other honorable senators with being hasty and inaccurate, he will realize that in his haste he has said what is not right.

Senator GARDINER.—I will give you a challenge if you are game to accept it. Put my statement and yours side by side, and if you can find one judge, even on your own side, who will say that my statement is inaccurate, I will resign if you will do the same.

Senator SENIOR.—The honorable senator would not ask me to gild refined gold, because it needs no gilding. He would not ask me to paint the lily, because the lily is already white enough. When I put side by side with what Senator Gardiner said to-night the statement of the Prime Minister, over his own signature, of what he did say, Senator Gardiner should be convinced that he is wrong, although I know the old saying that—

A man convinced against his will
Is of the same opinion still.

Senator GARDINER.—I challenge you to test my statement of what the Prime Minister said on the public platform, and your version of it, pick what judge you like.

Senator SENIOR.—The honorable senator, for instance, says that on every platform so-and-so was said. To prove that that is a rash statement, he must have been present at every platform, or he cannot say what took place there. He, forsooth, sets himself up as the self-appointed judge of what is hasty and inaccurate, yet the first of his statements that I quote convicts him out of his own mouth of both hastiness and inaccuracy. He was not in South Australia, and cannot say what was said there. I believe he was not out of New South Wales, yet he asserts that "on every platform" certain things were said. He brings no proof, and expects us to accept what he says as gospel truth.

I promised that I would read what was issued over the Prime Minister's own signature for the advantage of speakers during the recent campaign. It is dated Melbourne, 18th November, 1919, and signed by W. M. Hughes, Prime Minister.

Senator BARNES.—Put the whole of it on record.

Senator SENIOR.—I shall do so—

WAR GRATUITY.

THE TERMS.

Melbourne, 18th November.

Following are the main features and latest details of war gratuity scheme, including results up to date of negotiations by the Treasury with banks and employers, of which I spoke in Adelaide, when I was trying to arrange for banks and such employers as were willing to do so to cash the soldiers' gratuity bonds.

Basis of gratuity—1s. 6d. a day flat rate from date of embarkation to 28th June, 1919. This covers all Australian Imperial Force men, naval men, Imperial reservists, doctors, and nurses. One shilling a day from enlistment to discharge for men who did not leave Australia, limited to six months, except in special cases. Bonds to be cashed by Treasury in all cases of hardship or special urgency, on soldier's marriage or on soldier's widow's remarriage, and for all widows and mothers of deceased soldiers. Bonds will be received as cash for all purposes under Repatriation Department, including purchases of land, war service homes, businesses, and furniture. Bonds will be accepted by banks as collateral security for purchase of land and houses from private owners. Ten million pounds' worth of bonds will be cashed in May, 1921, and the remainder cleared off as soon as it is possible to raise money on local or foreign market.

The Treasurer is proceeding with negotiations with banks, and it is hoped that a still more liberal system of cashing bonds will be arranged in the course of the week. I feel satisfied that the proposals of the Government are regarded by the overwhelming bulk of the soldiers as most satisfactory, and the executive of the Soldiers' League informed me that nearly every branch of the league that had an opportunity of considering the scheme has approved of it.

(Signed) W. M. HUGHES,
Prime Minister.

I have not made a statement. I have simply read the Prime Minister's words. I put them side by side with Senator Gardiner's carefully thought-out and deliberately-weighed utterance, containing, as it does, all that pellucid stream of truth which is so characteristic of the honorable senator. I am sure that when he reads the two side by side he will recognise that this evening he has been totally unlike himself. The statements contained in that document signed by the Prime Minister do not accord with the statements attributed by the honorable senator to the Prime Minister. This document was carefully thought out. It was intended to be the basis from which speakers should take their cue. They were to adhere to it, and they could not pledge the Prime Minister to anything beyond it. They could not say that he had promised anything beyond it.

Senator GARDINER.—Was that the speech the Prime Minister prepared for you to deliver?

Senator SENIOR.—That has nothing to do with it.

Senator GARDINER.—I only want to know what you are quoting from.

Senator SENIOR.—I am quoting from *Weekly Notes*—a document that was supplied to speakers.

Senator GARDINER.—By whom?

Senator SENIOR.—It does not matter by whom; this document is signed by the Prime Minister and bears the date quoted.

Senator GARDINER.—Did you all have to say the same thing?

Senator SENIOR.—It is characteristic of the honorable senator to side-track the clear truth. I might just as well ask Senator Gardiner whether Senator Grant or Senator McDougall said the same as he said.

Senator GARDINER.—You are quoting a document, and I want to know what it is.

Senator SENIOR.—I have given the honorable senator the name of the document—*Weekly Notes*—which was supplied to speakers on the Nationalist side so as to guide them in their utterances, but this, I take it, is a distinct document that was signed by the Prime Minister so that we could clearly and emphatically state what he had promised.

Senator GARDINER.—Was that published before the election?

Senator SENIOR.—*Weekly Notes* was published and sent to us week by week before the election. The full title is *Weekly Notes for the Information of Members and Speakers*. It was published over the name of Archdale Parkhill, of Hunter-street, Sydney, so that this comes right from the city that my honorable friend comes from.

Senator BARNES.—It was not the Prime Minister, then, that you were quoting?

Senator SENIOR.—I am quoting the Prime Minister's statement, and I have given the responsibility for it.

Senator GARDINER.—The position was so doubtful, then, that you all had to say the same thing.

Senator SENIOR.—The position was not doubtful, but as this was a business transaction it was absolutely necessary that the clear and emphatic terms should be laid down.

Senator GARDINER.—Will you tell me if that was a public document before the election?

Senator SENIOR.—Yes.

Senator GARDINER.—How would any one know except the speakers on the Nationalist side that it was issued?

Senator PEARCE.—Because it was published broadcast.

Senator SENIOR.—There was no scarcity of copies.

Senator GARDINER.—We know Archdale Parkhill. Do you know who he is?

Senator SENIOR.—I believe he is the Secretary of the National party. It is not a question of who or what he is. It simply shows that this is an authoritative and official statement.

Senator GARDINER.—And you solemnly read a statement from the Secretary of the National League to prove that I am wrong.

Senator SENIOR.—I do not. I read what the Prime Minister sanctioned

and signed, and what I am positive the Prime Minister will indorse. It nails Senator Gardiner down as having made rash and inaccurate statements, and now he wants to knock the head off the nail. I wish it distinctly put on record that this is not the statement of Archdale Parkhill, but the statement of William Morris Hughes.

Senator GARDINER. — By whom is it authorized?

Senator SENIOR.—That has nothing to do with the question. Senator Gardiner has tried to make out all along that there was no difference between the two parties, and that the election was not fought out on the question of whether the gratuity should be paid by bonds or in cash.

Senator GARDINER.—Hear, hear! It was all cash.

Senator SENIOR. — Then why this statement by Mr. Hughes? The honorable senator knows that his deputy leader at the time tried to go one better than the Government.

Senator GARDINER.—Who was that?

Senator SENIOR.—Mr. T. J. Ryan, the director-general of the Labour party's campaign. He directed the honorable senator's party into a bog, with the result that it has lost from this Chamber all its representatives with the single exception of Senator Gardiner himself. As director of the Labour party's campaign, Mr. Ryan stands condemned, and as a critic of rash statements, Senator Gardiner himself also stands condemned. He has stated that we can pay this gratuity in cash. But within five minutes from the time he affirmed that by the inflation of our note issue we could pay cash, his common sense conquered, and he recognised that payment by means of bonds would be preferable. Consequently, he pointed out that we could raise a loan of £20,000,000 for the purpose. Now what is a loan but payment by means of bonds? Yet the honorable senator is a firm advocate of payment by cash. After exhausting nearly all his breath, he announced his firm conviction that if such a loan were offered, the soldiers themselves would take it up. He had previously been arguing most strenuously that the soldiers were in dire need. Yet he declared that these men who were in such dire extremity would accept bonds in preference to cash. The

honorable senator closed his address by contradicting his own statements. When, however, the Government propose to issue short-dated bonds for the payment of the gratuity, he condemns their action. If he condemns them for proposing to issue bonds £10,000,000 worth of which are to be redeemed by May, 1921, what ought we to say of the honorable senator's project to issue long-dated bonds which, presumably, would be redeemable ten years hence? When Senator Gardiner has slept upon the matter, I am sure he will feel that he has got himself into such a knot by his speech to-night that he will desire to erase it from the records of Parliament as a disgrace to them.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator is not entitled to use language of that sort in regard to any honorable senator's utterance.

Senator SENIOR.—I am quite willing to withdraw it. I was quoting the opinion which the honorable senator himself would have of his own speech—not my opinion of it. However, if you, sir, think that his common sense will not have recovered sufficiently early to permit of him viewing the position in that light, I am quite willing to withdraw my statement.

Senator GARDINER.—I would not like the honorable senator to withdraw any statement concerning me. Whatever he may say, no matter in what terms it may be couched, will be praise.

Senator SENIOR.—Coming to the Bill itself, I regard it as evidence of the desire of the people of Australia to do something more than they have already done for the soldiers who fought, not only our battle, but the battle of civilization. I do not think it is a good or a wise thing to quarrel over the question of how this gratuity shall be paid. The party giving the gratuity knows best how it can be given. It seems to me unreasonable to argue that it should have been offered upon terms other than those upon which it has been offered.

Senator DE LARGIE.—We should not look a gift horse in the mouth.

Senator SENIOR. — Not altogether. Australia has recently passed through the most severe financial crisis that she has ever experienced. To-day we are carrying a heavier load than we have ever carried in any period of our history.

Senator DE LARGIE.—A heavier load than any of the other oversea Dominions.

Senator SENIOR.—Yes. It is the wise man who counts the cost before he incurs it. Only the foolish man undertakes to do things that he is unable to do. Anybody who has inside knowledge in connexion with the flotation of the last loan knows that difficulties were experienced in securing its full subscription. Yet we are urged to do something which it is not wise for us to do at this juncture. Since the close of the contributions to the last loan, we have not cut a wool clip, gathered a crop from our fields, or dug out minerals from our mines. Yet it is from these commodities that we derive the wealth of Australia. The conditions under which this gratuity was to be granted to our returned soldiers were placed before the Returned Sailors and Soldiers Imperial League, whose representatives were thus seized of the difficulties which existed in the way of payment by cash. Senator Gardiner ought to know that if the scheme which he has outlined were adopted and an additional £25,000,000 worth of notes were issued, it would mean an increased cost of living to the soldiers themselves, to all their dependants, and to the widows of deceased soldiers—an increase that would be more injurious to them than will be the payment of the gratuity in bonds.

Senator GARDINER.—That is merely an assertion of the honorable senator.

Senator SENIOR.—It is not. But if the honorable senator does not know it, he stands self-convicted of an absolute lack of knowledge of economics. If he does not know it, I advise him to look up authorities on the subject, and he will then discover that it is so. The inflation of the note issue would mean the depreciation of the value of the notes. If we could withdraw from circulation a large portion of our note issue, we should do a great deal towards reducing the cost of living. On the other hand, by increasing our note issue we shall most certainly depreciate the value of the notes. Seeing that the soldiers themselves have acquiesced in the terms upon which the gratuity is to be granted, why should Senator Gardiner ask us to listen to the cry of those who are outside the organization to which I have referred? Is it wisdom to listen to them, or, rather,

to heed the views of the responsible representatives of the Returned Sailors and Soldiers Imperial League? I think that Senator Gardiner must recognise that the course adopted by the Minister is the wiser one—wiser not only for the soldiers themselves, but for the people of Australia, who have to foot the bill.

I do not grudge the payment of this gratuity in any sense. But I would point out that the men who rendered service to the nation throughout the war have already received a gratuity. Senator Gardiner is quite aware of that. He knows that the men were granted full pay for a certain period during which they were not on service. So that this gratuity is really a double-banked one.

Senator GARDINER.—I am certainly not aware of any previous gratuity having been paid.

Senator SENIOR.—Then I ask the Minister for Defence whether our returned men were not granted a full week's pay for every six months of service by them?

Senator PEARCE.—They received 7½ days' pay for every six months they had served abroad.

Senator SENIOR.—So that this gratuity is really a double-banked one. That being so, it ill becomes Senator Gardiner to press those who are paying it—

Senator GARDINER.—Does the honorable senator mean to say that if a man who has been absent on service for twelve months receives a fortnight's pay in addition to his ordinary pay, he is being granted a gratuity? Is not such a payment too mean and paltry to be mentioned here?

Senator SENIOR.—I do not suggest that our Australian soldier has received a monetary recompense for what he has done. Yet the fact remains that he has been the best-paid soldier who has stood upon the battlefields of Europe. Undoubtedly he deserved to be the best-treated soldier of any who stood upon those battlefields. Senator Gardiner, therefore, cannot say that there is anything of the spirit of meanness in the attitude which has been adopted by this Parliament towards our returned soldiers.

Senator GARDINER.—Does the honorable senator contend that the soldiers

have already been paid a gratuity in getting payment for seven days' leave for each six months of service, and that that is something which ought to be mentioned in connexion with the Bill.

Senator SENIOR.—The honorable senator is driven very hard for an argument when he quotes that against me. He regards that as something miserable.

Senator GARDINER.—Yes, quite miserable.

Senator SENIOR.—Its absence would have been sufficient reason to induce the honorable senator to plead for it, but because it was provided for without having been promised, and without his having an opportunity to take exception to it, he comes forward now and says that the seven days' payment for each six months of service was a mean and petty thing.

Senator PEARCE.—That leave was in addition to the ordinary leave they got in the Old Country.

Senator GARDINER.—The bringing of the matter up here, and calling it a double gratuity, is what I consider mean.

Senator SENIOR.—I say that it was regarded as a gratuity that the men should be paid for their services when on leave in the Old Country, and again after they returned to Australia.

Senator GARDINER.—The public servants get the same consideration every year.

Senator SENIOR.—I do not regard it as a matter sufficiently important to be mentioned, and would not have referred to it but for the action of the honorable senator in suggesting that we should do this, that, and the other thing, and should pay cash, when he knows quite well what would be the consequence of our doing so at the present time.

Senator GARDINER.—Before the honorable senator leaves the question of the better payment of our soldiers, may I ask whether he has noticed in to-night's newspapers that the people of the United States of America are paying their soldiers 4s. 2d. a day?

Senator PEARCE.—Does Senator Gardiner consider what the amount of £108,000,000 they propose to pay would amount to if their payment was at the same rate per head of population as ours? He can work it out for himself. If £28,000,000 is paid by 5,000,000 of people, how much should 100,000,000 of people pay?

Senator GARDINER.—The honorable senator will find a way of answering the question, but I direct attention, all the same, to the United States payment.

Senator SENIOR.—Senator Gardiner forgets another aspect of the matter. He overlooks the difference between the financial position of the United States and that of Australia to-day. What has been the burden of the war to the United States of America?

Senator PRATTEN.—She has profited by it.

Senator SENIOR.—Yes, every day that it was continued, and she has also endeavoured commercially to make additional profits since the war ended. Yet Senator Gardiner quotes what the United States of America is doing as against the contribution made by Australia. No nation in the world has done more nobly than Australia did in the war, and no nation has done more nobly by her soldiers. They deserve all that they have received and all that we can give them, but we must consider the people who have to cope with the financial position in which this country is placed.

Coming to the question of the enlargement of the scope of the measure, let me say that certain lines were laid down in what was practically a bond between the Prime Minister and the executive of the Returned Sailors and Soldiers Imperial League. Now that the Bill is actually before us, Senator Gardiner would break down the boundary line agreed upon to take in others who have been excluded. The honorable senator overlooks the fact that if the fence were shifted as he proposes there would still be others outside the new boundary line who would feel that they had the same right to inclusion in the benefits of this measure as those whom the honorable senator wishes to have included. Following the honorable senator's line of argument, we might continue to enlarge the scope of the measure until every one who did anything, even to the woman who knit the last pair of stockings for the soldiers overseas, was included amongst those to be given the gratuity.

Senator GARDINER.—Does the honorable senator claim that the person who knitted a pair of socks for the soldiers is as much entitled to consideration as are the Naval Reserve men?

Senator SENIOR.—I do not claim anything of the kind. What I say is that the argument which the honorable senator

put forward for the inclusion of the Naval Reserve men, if carried to its logical conclusion, would bring us to the position I have stated.

Senator PRATTEN.—It is very easy to give the taxpayers' money away.

Senator SENIOR.—If we followed out Senator Gardiner's argument we should include the last individual who did anything in connexion with the winning of the war.

Senator GARDINER.—Let the honorable senator take the case of the Naval Reserve men and, without mixing them up with any others, try to convince me that they are not as much entitled to be considered as are the men who went into camp, but did not go overseas.

Senator SENIOR.—When speaking on the Repatriation Bill recently I mentioned certain persons who might put in a claim to benefits under that measure, but the Minister in charge of the Bill said that the men of the merchant service had an equal claim with those to whom I referred. I had to admit that, and when the honorable senator invites my attention to the claim of the Naval Reserve men to inclusion in this Bill I do not doubt that they have some claim, but their claim does not find a place in this measure.

Senator GARDINER.—Will the honorable senator give some reason why it does not find a place in this measure?

Senator SENIOR.—Because there must be a limit, and it seems to me that the limit imposed by the Bill is the best that could be suggested.

Senator GARDINER.—So that, whether a man's claim is just or not it must not be considered if he is outside that limit?

Senator SENIOR.—I might just as well plead that we should include men who enlisted but did not leave Australia and were not subjected to the dangers which were undertaken by those who served abroad.

Senator DE LARGIE.—We might include the men who were not allowed to enlist because they were not old enough, but who enlisted when they became old enough.

Senator SENIOR.—That is so. They showed that they were just as willing to serve abroad as those who are included in this Bill. We might, on the principle advocated by Senator Gardiner, continue to enlarge the scope of the measure until we included the last woman who knitted the

last pair of socks sent to the soldiers overseas.

Senator PEARCE.—The last man, the last shilling, and the last sock.

Senator GARDINER.—Can the honorable senator give any good reason why the Naval Reserve men have been left out?

Senator SENIOR.—The honorable senator contends that they should be included, but gives no reason why they should be included any more than young men who, before they reached twenty-one years of age, were quite willing to enlist if permitted and render service abroad.

Senator GARDINER.—My reason was that they served the country during the whole time of the war, and are as much entitled to the payment of the gratuity as men who were in camp and did not leave Australia.

Senator SENIOR.—Let me remind the honorable senator that the farmer who grew wheat to feed the soldiers served the country during the whole time of the war, and so did the squatter who grew sheep, and the munition worker who went oversea and made munitions to help to win the war.

Senator DE LARGIE.—Or who stayed in Australia and did so.

Senator SENIOR.—Some stayed in Australia. We might continue to put forward cases of this kind; but I say that the line must be drawn somewhere, and Senator Gardiner has not proved that the limit set by the Bill is an unjust one. There are many omitted that I should like to see included; but I recognise that, in agreeing to this measure, I am not proposing to part with my own money, but with the money of the taxpayers, of whose purse I am sent here to be the guardian. I am prepared to adhere to the limit of the Bill. There may in time be some revision of the measure when strong reasons may be given for the inclusion of other persons; but we must deal with what is before us, and to do more than is proposed in this measure would be to do an injury to ourselves as well as to our soldiers.

If Senator Gardiner will compare the statement I have quoted, signed by Mr. Hughes as Prime Minister, with the provisions of this Bill, he will see that this measure faithfully carries out to the letter the promises made by the Prime Minister. I wish it a speedy passage

through this chamber, and I hope that when it becomes law it will be helpful to the soldiers. I recognise that there are many purposes to which the gratuity bonds may be devoted. There are soldiers living in houses built for them under the War Service Homes Act, who may have been neglectful in meeting their obligations. Such men will be able to present their gratuity bonds to meet their instalments under that Act. The bonds will be as good as cash to them, and I believe that in practice it will be found that this measure is more liberal than on the face of it it appears to be. I trust that its bitterest opponents will yet recognise that it is a useful measure, and one that stands to the credit of Australia.

Senator NEWLAND (South Australia) [9.14].—I thought that it would not be necessary for me to follow my honorable colleague from South Australia (Senator Senior), who has done so well in replying to certain statements made in the Senate this afternoon. I was under no delusion, when this Bill was first introduced. I had no doubt that it would be fought in this Parliament as bitterly as were the elections, and I am not at all surprised, therefore, at the statements which have been made in discussing it in this chamber and in another place. I am not surprised at the viciousness that has been exhibited in attacking members of the National party and in attempting to show that they fought the elections with the help of a bribe to the returned soldiers. That statement has been made often, and doubtless will be made again. No matter what may be said here or in another place, the charge will continue to be levelled at members of the National party that the war gratuity was offered to the soldiers as a bribe for their votes. Senator Gardiner asked to-night why the gratuity was not paid prior to the last election, but he knows just as well as anybody else that it was not paid because Parliament was expiring by effluxion of time, and the Government felt that they had no right to deal with the taxpayers' money without a fresh mandate from the people. Had the gratuity been paid before the last election, the charge now made by Senator Gardiner about the bribing of returned soldiers might have held good.

I am not going to wade through all the arguments brought forward by Senator Gardiner to-night, but I may remind him that, although he quoted newspaper extracts with all the conviction of a man who believed in them, he ought to be the last member of this Chamber to depend on newspaper extracts, for on other occasions he has told us that he does not believe what the newspapers say, and that all along they have been systematically unfair to him. Yet, when statements are made in the press concerning the Prime Minister (Mr. Hughes) the honorable senator repeats them here to-night with the object of securing publicity in the press, if they care to publish them, and certainly through the pages of *Hansard*, thus making it appear that they are actual facts. But the Prime Minister does not need defence at my hands, nor is there occasion for me to defend the Government. I am going to justify my attitude, and that of those associated with me, in South Australia. Whilst on this subject I may add that, so far as my recollection goes, on only one occasion during the whole of the election campaign—and, with the exception of Sunday nights, I addressed an audience somewhere every night—was the question of the gratuity referred to, and that was in the form of a question. I asked the questioner to stand up, so that I could have a look at him. He did so, and then I asked him where his returned soldier's badge was. He was not wearing one, so I took it that he was asking the question out of sheer curiosity, and not because of any prospective benefit to himself. In the circumstances I refused to answer it. I did not refer to the gratuity all through the election campaign, but nearly all of the candidates opposed to the Nationalist party based their speeches practically upon this one question.

Senator GARDINER.—But your soldiers in South Australia believed that the Prime Minister had arranged with the banks to pay cash.

Senator NEWLAND.—The soldiers of South Australia are the same type of men as are those in New South Wales. They are Australians. The honorable senator himself professes to be an Australian, so I should have thought that of all men he would have been the last to make any comparison between the soldiers of any one State and another. For

my part, I can only see Australia. All the men who went away fought as Australians.

The honorable senator said something about the gratuity being a bribe to the soldiers, and quoted extracts from the Prime Minister's speeches in Adelaide. I want now to quote what Captain Dyett, the Federal president of the Returned Sailors and Soldiers Imperial League, said upon this subject. Captain Dyett not only fought at the Front, but during the voluntary recruiting and conscription campaign worked strenuously to send help to the mates whom he had left over yonder. Like a good many others, he was misled by the reports that had appeared in the press concerning the Prime Minister's statements in Adelaide. It will be remembered that the Prime Minister was interviewed in that city, and delivered an address to returned soldiers. To this Captain Dyett took exception, holding the view that the Prime Minister should not have gone behind the executive of the Returned Soldiers Association in regard to the payment of the gratuity. The Prime Minister, in his address to the soldiers, made some reference to an organization with which he had been connected as having been hobbled by another organization, and remarked that he was not going to take it lying down if the returned soldiers were going to allow their organization to be hobbled by some one else; and Captain Dyett, in his reply to the Prime Minister's statement, said—

To be consistent should he not have been advised by the decision of the executive of the South Australian branch of the League, which refused to call the meeting concerned for the purpose of hearing the Prime Minister, because in doing so the League's constitution would have been deliberately violated?

Concerning the Prime Minister's references to the hobbling of the organization, Captain Dyett said—

The statement by Mr. Hughes naturally made the executive indignant, because right throughout the interviews we have maintained strict neutrality. The League is not hobbled, and, while I am president, shall not be hobbled, but shall pursue a definite course of neutrality.

Here, then, is a statement by the official mouth-piece of the Returned Soldiers Association, repudiating entirely the suggestion made by the Prime Minister that his organization was being hobbled. On the third point in the Prime Minister's statement, namely, the arrangements

Senator Newland.

made by the banks for the negotiation of the bonds, Captain Dyett said—

The third point is that Mr. Hughes, when referring to the bonds being negotiated by the banks, said "I will," and not "I have," yet, according to an announcement made by Mr. Pearce in Western Australia, on Tuesday, Mr. Hughes despatched a telegram confirming the report that arrangements had been made with the banks for the cash redemption of the bonds.

The Minister for Defence (Senator Pearce) has explained that this statement was a misprint. He has told us that he sent a telegram to the Prime Minister, asking if certain statements made by him in Adelaide were correctly reported; and the Prime Minister, not knowing what the Minister for Defence was referring to, replied that they were correct. Subsequently, however, when the matter was explained to the Prime Minister, he declared that the statements appearing in the press were wrong. The Minister for Defence repeatedly repudiated the statement, and Senator Gardiner is taking a very unusual course in declining to accept the denial.

Senator GARDINER.—Senator Pearce admitted the statement was correct, and explained how it came to be made.

Senator NEWLAND.—The whole statement was a mistake, due to a misprint, and Senator Pearce has told the Senate the circumstances under which the telegram was sent.

Senator GARDINER.—But he does not contradict the accuracy of the report.

Senator NEWLAND.—No; and the omission of any reference to what Senator Pearce had wired to the Prime Minister gives colour to the belief that the latter had made the statement, although Senator Pearce has since given the fullest publicity to the whole of the circumstances. Captain Dyett also said—

Now, while I regret the necessity for this explanation, I cannot allow the opportunity to pass without referring to the question of the gratuity bonds. At the previous interview to the one at which the suggestion was made regarding the issue of interest-bearing, non-negotiable bonds, Mr. Hughes definitely stated that it was impossible to pay a cash gratuity.

I emphasize the fact that the question of the gratuity bonds was mentioned at a previous interview, presumably the first which the Prime Minister had with the executive of the League, and at which he declared it was impossible to pay the

gratuity in cash. Captain Dyett on this point said—

Mr. Hughes definitely stated that it was impossible to pay a cash gratuity. He declared that the money was not in the country, and that we should have to deal with it on a paper basis. On the assurance given by Mr. Hughes, which was supported by information confidentially imparted, concerning the financial situation of the country, its obligations, and the impossibility of raising the money by loan, the soldiers' executive had no alternative but to consider the question of paying the gratuity on a paper basis.

The suggestion relative to the war bonds was made because it was considered that the interests of Australia would be protected on the one hand, and because it was thought that the majority of the soldiers, in view of the financial position of the country, would accept them.

I do not need to quote more. Captain Dyett goes on and shows conclusively that from the commencement of the negotiations with the Federal Executive it was understood that the soldiers were prepared to accept the gratuity in non-negotiable bonds. Further on Captain Dyett says in his interview—

After Mr. Hughes had acquiesced in the various recommendations concerning the details of the payment of the gratuity, I asked him whether he would prevent the placing of any restrictions on the Associated Banks, and allow those institutions a free hand to negotiate the bonds. In asking that question, I pointed out that I thought that the Associated Banks might act accordingly. Mr. Hughes said, "What reason have you to believe that they are considering that?" Continuing, at a later stage, he said that once you made the bonds negotiable you could sell them immediately. It would upset the whole financial situation of the Commonwealth. The thing was that if you put £25,000,000 more money on the market, prices would go up, the markets would be disorganized, and financial chaos would be produced. I next asked whether he would allow the banks to accept the bonds as security for bank overdrafts, and Mr. Hughes replied that that was the same thing. I do not think that it is necessary for me to quote any more. The Prime Minister refused the banks the right to handle these bonds from the very commencement. I care not what honorable senators may say, we have the statements of Captain Dyett, as reported in the Melbourne and Adelaide newspapers, which are just as reliable as those quoted this afternoon by Senator Gardiner, and Captain Dyett, being in Melbourne at present, could be questioned on this matter within an hour or so if the honorable senator so desired. It is unnecessary for one to go any further in replying to the charges that

this party has been guilty of attempting to bribe the soldiers. The Leader of the Opposition (Senator Gardiner) has a very poor opinion of the returned soldiers, their relatives and dependants, if he believes for a moment that they or the organization representing them could be bribed by the Prime Minister or any other person.

Senator Gardiner referred to a statement I made last week in relation to the attitude of his party during the period when our soldiers were fighting with their backs to the wall. At that time the members of his party and the representatives of its organizations carried resolutions by the score to the effect that they would not assist in sending recruits overseas.

Senator GARDINER.—The honorable senator knows that that is not true. He is repeating a falsehood.

Senator NEWLAND.—I am not.

Senator GARDINER.—You are.

Senator NEWLAND.—I am repeating facts.

Senator O'LOGLIN.—Give us your authority.

Senator NEWLAND.—My authority! Will the honorable senator say that the executive did not carry a resolution absolutely prohibiting members of the party going on recruiting platforms and that if they did so it would be at the risk of being expelled from the party.

Senator O'LOGLIN.—No responsible body representing labour has done that.

Senator NEWLAND.—I do not know what the honorable senator would call a responsible body. There are a lot of irresponsibles as has been shown by recent events.

Senator O'LOGLIN.—That is an open question.

Senator GARDINER.—As late as 1918 I took the recruiting platform with Mr. Holman, and I never heard a word of complaint from any organization of ours.

Senator NEWLAND.—I am well aware that Senator Gardiner took the recruiting platform, and that the parliamentary leader of his party acted similarly. There were, however, very few others who did anything to assist recruiting.

Senator O'LOGLIN.—I did.

Senator NEWLAND.—I know that.

Senator GARDINER.—Why does the honorable senator say that the Labour organizations would not allow it?

Senator NEWLAND.—Senator Gardiner claims that the organizations represent the Official Labour party, and I say that neither Senator Gardiner nor Senator O'Loughlin represents the whole party. I know they went on the recruiting platform, and deserve every credit for the work they did. I have correspondence that came into my possession as chairman of the Recruiting Committee in South Australia, showing that the Trades and Labour Council, as the representative of the Labour party in South Australia, refused absolutely and definitely to send a delegate to the Recruiting Committee to help with the work. I have also statements of those who reported the Recruiting Committee for using recruiting platforms for political purposes, notwithstanding that I had expressly forbidden their use for such purposes. A notice was conspicuously posted on all platforms that they were not to be used for political purposes. I have a statement covering three or four foolscap pages of matter prepared in the Trades Hall in Adelaide reporting me to the Director-General of Recruiting for having used these platforms for political purposes. These statements were deliberate falsehoods, because I never uttered a word concerning politics, and I did not permit any recruiting officer to make statements a second time that had a political significance. These organizations did not act in this way with the idea of helping recruiting, and it is futile for honorable senators opposite to tell me that they did, because, as chairman of a Recruiting Committee, I put in two and a half strenuous years in connexion with that important movement.

I have abundance of proof here and elsewhere to show that the Labour movement never made the slightest attempt to assist the returned soldier. I have every right to say that. The Labour organizations failed in their duty to the soldiers at a time when assistance was urgently needed.

Senator GARDINER. — That cannot apply to organized labour. The honorable senator is not telling the truth.

Senator NEWLAND.—The honorable senator can apply it to whom he likes. He takes credit for the large number of workers who went to the war; but they

went, not with the advice of the executive of the organizations, but in spite of it. I do not apply the accusation to Senators Gardiner and O'Loughlin, because I know they did assist; but the Labour party as an organization was opposed to sending men to the Front, and it is futile to say that resolutions were not carried in the terms I have indicated.

Senator GARDINER.—It is not true.

Senator NEWLAND.—It is true. I do not wish to place on record the letters I have in my possession; but it will require very little inducement to make me read the whole of them to show where the organizations in South Australia actually stood. The South Australian organizations were well in line with those in other parts of Australia. I regret exceedingly having to say these things, because I would like the Bill to go through without recriminations. But when these charges are made, I am not going to allow the party to which I belong to be slandered without offering strong protest. In connexion with questions of this kind, it is usual for honorable senators to slander one another until their time has expired, and very often the Bill under discussion is quite overlooked.

I have given very careful consideration to the provisions of the Bill, and say frankly that I would like many of them to be extended to meet the case of others who went overseas or who rendered good work in Australia. A line has been drawn, including certain sections of men, and if that line is altered, where are we to stop? If we went on in an all-embracing way, it would mean that practically every war worker would benefit. It would mean including all who went overseas, the men who enlisted and could not get away, and many others, who did their best to get to the Front. It seems only fair that many of these should receive something, and I repeat that I would like the munition workers, the naval men, and those who undertook dangerous work to be included. We have to remember, however, that as a Parliament we have to hold the balance as evenly as we can between the soldier who is entitled to the gratuity and the taxpayer who has to meet the bill. Under this measure the fairest thing has been done, having in view all the circum-

stances. I desire to make it perfectly clear that I would like to see others included, but I am satisfied that at present it is impracticable to extend its provisions to others, no matter how deserving they may be. The Bill, as finally agreed to by Parliament, must be in such a form that it will not be necessary in, say, six or twelve months' time, to bring down an amending measure to make provision for others. For that reason I hope honorable senators will give the measure their best attention, so that it will leave this Chamber as nearly perfect as it is possible for such legislation to be.

In South Australia there is a movement amongst the returned soldiers to establish Army and Navy stores on a rather ambitious scale. The South Australian branch of the Returned Sailors and Soldiers Imperial League has very kindly supplied me with an advance copy of the prospectus of the proposed business, which is to be conducted on a co-operative basis for the benefit of the soldiers, their dependants, and war workers generally. Because they thought that the Bill did not quite cover their requirements, they had two amendments inserted in another place, but they are not satisfied that those will do exactly what they want, so they have sent to me another amendment. I have had a discussion with the Minister in charge of the Bill about it, and he has promised to have a clause drafted to meet the objection which I raised. It is, therefore, not my intention to give notice of that amendment until I see what the Minister proposes.

I wish to call attention to one matter which, I believe, has not been discussed by any other honorable senator. Many young men who left Australia were engaged to be married. They left their allotment money to their young ladies in hundreds, and perhaps thousands, of cases. Numbers of them have, unfortunately, not come back. They willed everything they had to their sweethearts in Australia.

Senator BARNES.—They could not have included the gratuity, because they did not know of it at the time.

Senator NEWLAND.—No, but it is questionable whether or not the gratuity will go in the direction in which the will

has been made. I do not suppose that Ministers have overlooked this case, but where all the young man's property has been willed to his sweetheart and away from his parents, the Minister should consider whether it is possible, apart altogether from what the prescribed authority may do, to insert in the Bill a provision making it compulsory that the gratuity shall go to the parents. There are other cases to which the Minister for Defence referred this afternoon, where men have not been all that they ought to be towards their wives and families, and the soldier son has gone away and been killed. The gratuity, by virtue of the fact that the father is the next of kin, may go to the father instead of to some more deserving member of the family. Is that provided against?

Senator PEARCE.—Yes.

Senator NEWLAND.—And would the prescribed authority have power to see that the gratuity goes to the parents in the case of the young man who has willed everything to his young lady?

Senator PEARCE.—Sub-clause 2 of clause 9 gives a discretion on the facts of the case.

Senator FOLL.—Even if there is a will?

Senator PEARCE.—Yes.

Senator NEWLAND.—I am glad to hear it. I think that the father or mother ought to be entitled to the gratuity, even if the young woman gets everything else.

I have been asked to ascertain when these bonds will be dated, and from what date the authorities will begin to pay interest on them. The soldiers are very keen for information on that point, and I trust the Minister will supply it.

The Bill allows the War Service Homes Commissioner to take bonds as payment. There is a class of men who, at the present time, have war service homes, and in South Australia a large amount of interest and principal is overdue. The war service homes principle has been in operation in South Australia for about twelve years now, so far as the general community is concerned, and the arrears of interest do not amount to £300 in the case of the general public, but they amount to something over £4,000 in the case of the returned soldiers. When the war service homes authorities and the

banks press the returned men for payment of those arrears, the answer invariably is, "I will pay you as soon as I get my gratuity." That is a very good reason as far as it goes why the bank should wait, and it is waiting. But the authorities are in this difficulty. Whilst under this measure they may accept the gratuity bonds as payment, they are given no power to stop the amount of arrears out of the gratuity before the bonds are handed over. In South Australia the State Bank is doing the work that the War Service Homes Commissioner is doing here. Will it be possible for the Minister to provide in the Bill—I am not assuming that the men will attempt to shirk their responsibilities, but some of them may do so—that the War Service Homes Commission, which I presume would include the State Bank of South Australia, shall have the right to send in a claim to the authorities who are paying the gratuity, and to have the amount of the arrears stopped? It has also been suggested to me that, in order that this may be done, the bonds should be issued in tens or multiples of tens. This would make it easier for all concerned to clear off the small amounts outstanding in the case of war service homes.

I am sure that 98 per cent. of the soldiers in Australia are quite satisfied with the provisions of the Bill. I have spoken to large numbers of them, and have been very closely associated with them, since the Bill came forward, in the co-operative business which they intend to start in South Australia. I know from first-hand evidence, from the soldiers themselves, that the great majority are satisfied with what is being done for them. The soldiers are meeting this question in the right spirit. They are not accepting the gratuity as a bribe or as a gift in any shape or form. They recognise that it is something to which they are entitled, and they know that, if it were not for the straits and necessities of our present financial circumstances, the people of Australia would be much more generous in this regard even than they are now. The soldiers are just as familiar with the financial difficulties of the country as honorable senators are. They are reasonable in their requests, and I am confident that, if the Bill is passed in the form in which it has been drafted, with slight amendments, very general satisfaction will be given to the returned soldiers and also to the taxpayer.

Senator Newland.

Senator FOLL (Queensland) [9.53].—

I take this opportunity of refuting some of the charges made by Senator Gardiner against the Returned Sailors and Soldiers Imperial League of Australia. The honorable senator is one of those men who always like to have somebody whom they can slander. That is especially the case with the honorable senator when he comes back from an election where his party has been roughly handled. Upon this occasion he had nobody else to seize upon, and therefore, took the opportunity of slandering—I use the word advisedly—the League.

Senator GARDINER.—That is quite untrue.

Senator FOLL.—The honorable senator said earlier in the debate that the Prime Minister (Mr. Hughes) and the executive of the League acted in collusion, and that the executive offered to support the Government party at the elections provided that the Government did certain things for them in return in connexion with the gratuity.

Senator GARDINER.—My statement was that Mr. Hughes said that this was a bargain, the Government saying, "If we pay the gratuity, you will give us your support during the elections." I said not one word about what the reply of the League was.

Senator FOLL.—I listened very carefully to the honorable senator's remarks. He also said that the League represented only a certain number of the soldiers, and that the whole of the soldiers' associations should be consulted in matters of this kind. He would be one of the first to insist that any negotiations affecting labour should take place between the Government and a recognised association of the individuals concerned. Not long ago, when Australia was asked to send a representative to the Labour Congress established under the Peace Treaty, and it was suggested that the Government should nominate the delegate, the honorable senator rose in protest. He said, "If anybody is to go, he should be appointed by the Labour organizations."

Senator GARDINER.—I said he should be elected by the whole of the unionists, just as I say, now, that the whole of the soldiers should have been consulted.

Senator FOLL.—The honorable senator did not say that the whole of the men who worked with their hands should be

consulted. He would confine the choice to the unionists; yet in this case, where negotiations have to take place between the Government and the soldiers, he resents the fact that the Government negotiated with what is probably far the strongest of the soldiers' organizations in Australia. I shall quote the financial membership of the League, so that Senator Gardiner may understand that it speaks with a certain amount of authority when it voices the views of the soldiers, although there may be men outside it, as there will be men outside every association till the end of time. I am informed that on the 31st December last the financial membership of the League was: Victoria, 42,000; South Australia, 17,000; Western Australia, 16,000; Tasmania, 7,000; New South Wales, 23,000; and Queensland, 16,000; or a grand total of 121,000. Considering the total number of returned soldiers, the League can very rightly claim that it is in a sound position to speak in their interests. Since those figures were compiled, new members have been continually enrolling. Senator Gardiner might, at least, have moderated his remarks so far as the League was concerned. I indorse every word Senator Newland said regarding that body being beyond corruption. I assure Senator Gardiner that the League will be no party to any scheming by his party, or by the National party, or by any other political body. It is an independent, non-political, and non-sectarian organization, composed of soldiers, and fighting for what it believes to be the best interest of the soldiers themselves. I think that Senator Gardiner is heartily ashamed of himself already—indeed, I never saw him look so ashamed as he does to-night.

Senator GARDINER.—When the honorable senator says that I have uttered a condemnation of any soldiers' organization he is repeating what he ought to know is not true.

Senator FOLL.—In this Chamber one is bound to accept an honorable senator's denial, and consequently I will not press my statement further. Yet Senator Gardiner was not desirous that negotiations should take place between the Government and the recognised organization of our returned sailors and soldiers.

Senator GARDINER.—I want to give every man an equal chance of being heard.

Senator FOLL.—It is in the best interests of the soldiers themselves that they should become members either of existing organizations or of organizations which may be formed in the future. The honorable senator is not speaking in the best interests of the men themselves when he uses language which is calculated to create dissatisfaction with the Returned Sailors and Soldiers Imperial League.

Under this Bill, I note that a man who was injured in camp is entitled to an allowance of 1s. per day. I know of one case in which a man who was in camp was injured in a bombing accident, as the result of which he lost the sight of both eyes and also sustained the loss of one hand. In such cases I think the full amount of the gratuity should be paid. In regard to other men who entered camp for a time and were discharged suffering from minor disabilities, I do not intend to move an amendment. But those who were permanently injured in camp are, I think, entitled to enjoy the full benefits conferred by this measure. I should like the Minister for Defence (Senator Pearce), in his reply, to deal with the question of the soldiers who are entitled to receive the gratuity in cash consequent upon their having married. I have been asked by people in Queensland whether the measure means that those members of the Australian Imperial Force who have married since their return from the Front are to receive the gratuity in cash, or whether it refers only to those who may marry after the Bill becomes law. This is a burning question, and one I would like the Minister to answer. The scheme which has been adopted in South Australia in connexion with the soldiers' co-operative movement is one which should be extended to other States. The sum of money involved in the payment of the gratuity is so large that if it be kept intact a great deal of good may result to our soldiers. If through their own organizations they will form co-operative associations and establish new industries wherever they can be established, instead of the money proving a drain upon the taxpayers of this country, it will prove a boon to them.

Senator BARNES (Victoria) [10.5].—I do not think there is anybody in Australia who objects to granting our returned soldiers the gratuity which the Government propose to give them under this Bill. There are, of course, differences of opinion in regard to the scope of the measure, and I know that great dissatisfaction exists amongst quite a large number of persons in Australia who are entitled to consider that they did all they possibly could towards winning the war. They offered their lives to the Government in an endeavour to achieve that objective, and it was no fault of theirs that the Government did not accept their offer. Many of these people consider that they are entitled to this gratuity, and I am inclined to agree with them.

The Labour organizations of this country have been criticised for their attitude towards the conduct of the war, and in this connexion I desire to recall one or two matters which appear to have an important bearing upon that question. If there be any bodies in Australia who are entitled to claim that they stood wholeheartedly for the gratuity proposed to be paid to our soldiers, it is our trade union organizations. In 1916, when a conference was held in Melbourne to devise machinery for the purpose of opposing conscription, two resolutions were carried. Quoting from the official record of the conference, the first resolution reads—

That this congress is firm in the belief that the system of voluntary military service has been successful, and if supported by the financial resources of the nation it will be most effective, while it will leave no machinery, as would conscription, to be used after the war to crush the aspirations of the workers.

The conference which carried that resolution was representative of 280,000 members of organized labour. The second resolution demanded—

An increase of pay to the private of 10s. per day, with a corresponding increase of separation allowances to apply to all dependants.

We are thus entitled to claim that we supported the payment of this gratuity wholeheartedly.

Senator FOLL.—The conference did not pass any resolution about providing reinforcements.

Senator BARNES.—It has been said that organized labour opposed voluntary

recruiting. Until there was a split in the political Labour party of this country—there has never been any split in the industrial Labour party—

Senator PEARCE.—Oh, yes, there has.

Senator BARNES.—Up to the time that a split occurred in the political Labour party, 260,000 men had been recruited and despatched to the Front by the people who were representative of organized labour throughout the Commonwealth. These men had been sent away without any opposition whatever; on the contrary, they had received the wholehearted support of the labour organizations of Australia. Until conscription was first mooted those organizations did not raise a finger to prevent any of their members appearing on the recruiting platforms of this country. Personally, I have never been on a recruiting platform, because I declined to ask any man to go where I was not prepared to go myself. Yet there are plenty of men who actually did that, and some of them are in this Parliament to-day, although they were fit and qualified for active service. Seeing that the labour organizations of Australia never imposed any restrictions upon their members in regard to recruiting until the split occurred in the political Labour party, it is entitled to claim that if the Government had paid the soldier the amount it desired them to pay him there would have been no need for the granting of this gratuity or for recrimination between political parties.

I do not give the Government any credit for submitting this proposal regarding the payment of a gratuity to our soldiers. Other people were very much more far-seeing than are they. This proposal really originated at the Paris Conference with Lloyd George and Clemenceau. Lloyd George was anxious to give the people of Great Britain some inducement to build up his waning popularity. He desired to offer them some bribe by means of which he could buy back his way into Parliament. This fact is made abundantly plain in a book written by a very talented Englishman who graduated in one of the great colleges of Britain, and who represented the British Treasury at the Peace Conference. His book is entitled *The Economic Consequences of the Peace*, and in it he shows very clearly that the Peace Conference arranged that

all the cost of repatriation, of the payment of gratuities, and of war pensions was to be exacted from Germany. There was just about as much sincerity in those proposals as there was in Mr. Lloyd George's cry for the hanging of the Kaiser. Lloyd George knew perfectly well that Germany could not pay these immense sums, but the decisions of the Conference served his purpose, and Mr. Hughes was not slow to copy his example. The whole thing was a political move.

Nobody begrudges our soldiers this gratuity, and, personally, I would not care if the Government extended the provisions of the Bill so as to provide for the granting of a pension to me. But it is idle for honorable senators to put into *Hansard* speeches which reflect on each other when the facts are on record, and cannot be controverted.

Senator FOLL.—The resolutions passed at the Perth Labour Conference were only so much fun.

Senator BARNES.—Those resolutions stand as a record of Labour activities, and nobody who took part in that gathering need be ashamed of them. The decisions of the conference merely meant, "Until we have some understanding with the Government of this country, and with the people who are conducting the war, we will take no further part in recruiting." All that the conference desired was that the Allied Governments should state plainly in black and white the terms of the settlement which they required. I do not claim that the resolutions of that gathering inspired President Wilson in any way, but it is a fact that immediately after the holding of the Perth Conference, President Wilson announced his decisions, which were in complete accord with them.

Senator PEARCE.—Did the decisions of the conference have anything to do with the action of the United States Senate in rejecting the Peace Treaty?

Senator BARNES.—I may be in a position to throw some light even upon that question. Immediately after the Perth Conference resolutions we demanded from Labour supporters that they should refrain from further assisting in recruiting the manhood of the country until our people stated plainly the terms upon which they were prepared to effect a settlement. That is all that we wanted, and I ask whether it was not time that

something of the kind was demanded when over 300,000 of our men had gone away from Australia, and God only knew how many more would be required. Was it not a fair thing in the circumstances for us to ask that our own people should say in plain language on what terms they were prepared to end the fight?

Senator FOLL.—How could we quote terms when we were being pushed back?

Senator BARNES.—Before we were being pushed back the enemy offered us terms and we would not accept them, though we accepted, after all, terms that were no better than those that were offered. Two years before the fight was finished, terms were offered to the Allies, and they were rejected twice. We knew that, and we said that it was time that some one spoke out, and that Labour would do so if no one else did. We said that there should be no more recruiting, so far as organized labour was concerned, until our people were prepared to state the terms on which they would be willing to finish the fight. Yet now we have honorable senators putting forward statements of this kind in the endeavour wilfully to try to mislead the people of the country and themselves as to the meaning of the Perth resolutions.

I say that Labour has nothing to thank the Government for. They have not to thank them even for this gratuity. It was put forward, in the first place, by the gentlemen who engineered the Peace terms as an election bribe in other countries, and the Government were not slow to adopt the same measure for Australia.

Senator FOLL.—The honorable senator's party offered to go one better, and pay the gratuity in cash, and then they did not win.

Senator BARNES.—I tell the honorable senator that we were justified in offering to pay the gratuity in cash. The organizations of Labour in Australia desired that the soldiers should be paid 10s. per day. And if the Government were proposing to give the returned soldiers, not 1s. 6d. per day, but 4s. 2d. per day, as is being given in the United States of America, they would be coming nearer to what the Labour party desired. I am of opinion that the cash payment of the gratuity could be arranged. While we are going through great financial stress in this country, I say, as other

honorable senators have said, that had the war continued for some time longer, and our men been abroad, we would have had to feed and clothe them, and supply them with munitions of all kinds. This country would have done so if the war had lasted for another year, and the cost to Australia would have been four or five times as much as the gratuity will cost us now.

Senator FOLL.—But that money is now being spent on repatriation.

Senator BARNES. — I am aware of that, but that is altogether outside the gratuity. The repatriation scheme is one thing and the gratuity is another. I say that £28,000,000 in cash, if that is the sum required to pay the gratuity to the soldiers, could be raised by this country if the Government were in earnest in the matter. That could have been done, too, without any disturbance of the industrial affairs of the country.

I remember that during the election some gentleman asked me how I proposed to pay the gratuity. I have forgotten the exact figures now, but I told him that there were so many hundreds of millions of pounds more in the banks to-day to the credit of some persons than there was before the war. I asked what was wrong with taking that money from the profiteers, who were evidently the only persons who were accumulating money, and depositing it in the banks. I asked what was wrong with taking £28,000,000 of that money from those people who had robbed the soldiers' wives and children while our men were fighting abroad, and giving it as a gratuity to the soldiers in cash. The other fellows could have been given bonds. That would not have disturbed the industrial affairs of the country. The only difference would have been that while the money would still be in the banks, it would be to the credit of the soldiers. If they spent it, the men with whom they spent it would put it in the banks. Whatever was spent by the soldiers would have found its way back to the banks, to carry on the industries of the country. The only difference, as I say, would have been that the money would be in the banks to the credit of the soldiers instead of to the credit of the profiteers. But the Government would not take that on, because the profiteers were paying their election

expenses. They were very gentle with them, and stroked their hair, although the Prime Minister, when he came back to Australia, talked of shooting them.

Senator FOLL.—It seems to have paid the honorable senator to advocate a "No" vote at the referendum.

Senator BARNES.—The honorable senator is wrong, because I advocated a "Yes" vote.

Senator FOLL.—The honorable senator's party did not do so.

Senator BARNES.—Most of the members of my party did so. Whatever was done in the State from which Senator Foll comes, I know that in this State we advocated a "Yes" vote, and carried it. I say that the soldiers, after all, belong to the class of people who are mostly to be found in the ranks of organized labour.

Senator BOLTON.—I do not admit that.

Senator BARNES.—I am not concerned about whether the honorable senator admits it or not. I state what, so far as I know, is a fact. Whatever we can do in the way of giving the soldiers a gratuity will be a means of settling them, and will enable them to continue to be an asset in the country as they have always been, for future wealth production and the propagation of the race. I do not know that any one objects to that. I shall endeavour, when the Bill is going through Committee, to have certain clauses of it amended, so as to extend its operation in the direction I have indicated to include some people who think, and I agree with them, that they have a just claim to be included amongst those who will be benefited by its operation.

Senator PEARCE (Western Australia—Minister for Defence) [10.23].—I shall occupy but a very few minutes in reply to the debate. I do not propose to follow the Leader of the Opposition (Senator Gardiner) through his long oration, because I think it has been well disposed of by Senators Senior and Newland. I took the opportunity during the dinner-hour to place the statement which Senator Gardiner made with regard to the Prime Minister (Mr. Hughes) before him. I told him that Senator Gardiner, speaking in the Senate on the War Gratuity Bill, said that the Prime Minister at the conference with the executive of the Returned Sailors and Soldiers Imperial League, in regard to the gratuity,

made the grant of the gratuity conditional upon the returned soldiers supporting the Government at the election, and that he had said, "This is not to be a one-sided bargain." I am authorised by the Prime Minister to give that statement a flat denial, and to say that it is absolutely incorrect, and contrary to fact. I shall leave the people of this country to judge between the Prime Minister and Senator Gardiner in this matter, and I have no doubt at all as to what their judgment will be.

Senator Foll raised the question of the gratuity being paid in cash to those who marry. That applies to those married after discharge from the Forces. As regards men injured in camp, I direct the attention of honorable senators to the fact that they are entitled to a war pension. This is not a Pensions Bill or a measure to provide payment for injuries received. The men to whom the honorable senator referred receive consideration under the War Pensions Act. In addition, if they enlisted in Australia, and did not leave the Commonwealth, they will be paid at the rate of 1s. per day. The other points raised in connexion with the measure can be best considered in Committee, and I therefore do not propose to detain the Senate further at this juncture.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Progress reported.

Senate adjourned at 10.27 p.m.

House of Representatives.

Thursday, 15 April, 1920.

Mr. SPEAKER (Hon. W. Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

SUPPLY OF COAL.

Mr. MATHEWS.—Several complaints have been made to me by persons who are unable to obtain coal, and I have already brought before the House the difficulty of getting coal. From a man whom I know well I have received a communication, which I will let the Minister see, saying that, although the Coal Board states that no coal is

available for private houses, James Paterson and Company have delivered a lorry load to a certain gentleman, and a small load to another gentleman. Will the Minister inquire why some householders can get coal while others cannot?

Sir JOSEPH COOK.—I shall be very glad to make the inquiry asked for. We are still at a critical stage with regard to coal supplies, because, although there is no strike now, and the coal boats are running, the shortage has not yet been overtaken; and, therefore, control has to be exercised and priority given to certain industries, until the stocks have been replenished. I do not know why one householder should be able to get coal while others cannot get it.

Mr. TUDOR.—I ask the Minister whether it is not a fact that nearly every house in Melbourne is, at the present time, without coal? As the winter season is approaching, when coal will be greatly needed, cannot something be done to facilitate the supply of it for household purposes? Within a few weeks the position will be serious.

Mr. JOSEPH COOK.—The difficulty is one, not of distribution, but of obtaining supplies. It is all a question of shipping and supplies. If the coal were here, it could be distributed without trouble. Do my honorable friends suggest that we should give up the control of the coal trade, and allow it to flow in its normal channels? If that were desired, it would save the Department a great deal of trouble to comply with the desire.

Mr. TUDOR.—I think the Coal Board has done good work.

Mr. JOSEPH COOK.—I think so, too; that is generally recognised, although complaints are made by many whose industry cannot be given priority. The only remedy for the present state of affairs is an increase in the production of coal.

SECRET SERVICE ORGANIZATION.

Mr. MAHONY.—Is there any truth in the statement appearing in this morning's *Age* that an elaborate secret service organization is to be established permanently in Australia? If so, can the Prime Minister give the House any information about it?

Mr. HUGHES.—I refer the honorable member to the secret service organization for an answer. I know nothing at all about the matter. The establishment of a secret service organization is news to me, as, no doubt, it was to the *Age* reporter until he evolved the idea.

AUSTRALIAN WAR SERVICE MEDAL.

Mr. MARKS (for Mr. MARR) asked the Prime Minister, *upon notice*—

1. Is it a fact that all nations have war decorations and war service ribbons of their own, and Australia having now proved herself a nation, is it the intention of the Government to grant war service medals to all who assisted in the war?

2. Is it a fact that India and other parts of the Empire have decorations of their own, which they issue for distinguished and gallant service, apart from the decorations awarded by the Imperial Government; and, if so, will the Government consider the creation of similar Australian decorations?

3. If the issue of an Australian war service medal has not been approved, will the Government consider it at an early date and submit a recommendation to the House?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. The Commonwealth is issuing war decorations and medals. Being part of the British Empire it is, as a result of agreement with Britain and other portions of the British Empire, issuing medals and decorations adopted by the whole Empire.

2. In certain cases, e.g., India, decorations are bestowed by His Majesty upon the recommendation of local authority. The Government has not considered this question.

3. See answer to 1 and 2.

CONTROL OF PROFITEERING.

Mr. RICHARD FOSTER (for Mr. BLUNDELL) asked the Prime Minister, *upon notice*—

In view of the fact that section 51 of the Constitution provides that Parliament shall have power to make laws with respect to "(i) Trade and commerce with other countries, and among the States," will the Government introduce legislation to control profiteering which comes within the ambit of the Commonwealth powers?

Mr. HUGHES.—For all practical purposes the Commonwealth has no power over profiteering of any kind. The limitation of the Commonwealth power to Inter-State and foreign trade makes it extremely difficult, if not impossible, to devise any effective scheme of legislation

to deal with any part of the problem of profiteering. The Government will endeavour to do anything that can be done in that direction.

SYDNEY WATER-FRONT BUREAUX SYSTEM.

Mr. WEST (for Mr. RYAN) asked the Prime Minister, *upon notice*—

When is the tribunal to be appointed which was referred to by him in answer to a question addressed to him on the 3rd March ultimo, with reference to the conditions of workers on the Sydney water-front?

Mr. HUGHES.—The Ship-owners and the Waterside Workers Federation have now nominated representatives, who have been requested to confer in regard to the selection of a chairman. As soon as a chairman is appointed the inquiry will be commenced.

LEAGUE OF NATIONS.

MEETINGS OF EXECUTIVE.

Mr. HIGGS asked the Prime Minister, *upon notice*—

1. Is it true that the Executive of the League of Nations met in Paris on Saturday last, the 10th of April?

2. Had Australia any voice in the selection of the members of the said Executive?

3. Who are the members of the Executive?

4. When does the Government propose to appoint the Australian representative to the League of Nations?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. I am not officially aware of it, but I have seen a press cable to that effect.

2. I presume that by the term "Executive" is meant the Council of the League, which has already held several meetings in London and Paris. Australia is a member of the League, and as such is entitled to three representatives in the Assembly, but has not a representative on the Council. Australia must be invited to send a representative to sit as a member at any meetings of the Council during the consideration of matters specially affecting Australian interests.

3. The present Council consists of representatives of the four principal Powers, and Belgium, Brazil, Spain, and Greece.

4. Whenever occasion arises.

FURTHER AVIATION GRANTS.

Mr. MARKS asked the Prime Minister, *upon notice*—

Whether he will consider the question of making a grant to Captain Matthews and Sergeant Kay on their landing in Australia on their flight from England, in recognition by

the people of the Commonwealth of the indomitable pluck and perseverance of these aviators throughout the flight?

Mr. HUGHES.—In view of the fact that Sir Ross Smith won the prize offered by the Commonwealth, it is not proposed to make grants to the other competitors who may complete the flight.

CLOSING OF COUNTRY POST-OFFICES.

Mr. AUSTIN CHAPMAN asked the Postmaster-General, *upon notice*—

1. Is it a fact that the Deputy Postmaster-General for New South Wales has intimated his intention of closing some of the post-offices in country centres in that State, on the plea that those at present in charge are declining to continue the work at the low salaries offered?

2. Does he approve of this action?

Mr. WISE.—As I promised the honorable member yesterday, I am having inquiries made on the subject, and will reply to his questions as soon as those inquiries are complete.

FOREIGN LITERATURE: EMBARGO.

Mr. GABB asked the Minister for Trade and Customs, *upon notice*—

1. Whether the admission into the Commonwealth of literature from Germany and Austria is prohibited?

2. If so, does the word "literature" cover ordinary newspapers?

Mr. GREENE.—The answers to the honorable member's questions are as follow:—

1. The importation from Germany and Austria of all literature, except that approved by the Minister, of a scientific or religious nature, or literature intended for the use of public institutions in the Commonwealth, is prohibited.

2. Yes.

CHEMISTS ON SERVICE: BADGE.

Mr. MARKS asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether he will consider the question of publishing in the daily press a statement of the services rendered by the chemists who proceeded to England on the application of the Minister for Defence to work on explosives during the war?

2. Considering the splendid services rendered by these men, and that they are not entitled to any of the benefits of returned men, will the question be considered of issuing to them a special badge?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. Chemists who proceeded to Great Britain under agreement with the Commonwealth receive the munition workers' badge issued by the Department of Defence, and they participate in certain benefits equally with soldiers; for example, the War Service Homes Scheme and the Discharged Soldiers' Land Settlement Scheme.

PERMANENT FORCES: PAY.

Mr. AUSTIN CHAPMAN asked the Minister representing the Minister for Defence, *upon notice*—

1. Has his attention been called to an article in the Sydney Sun in which it is stated in connexion with the recent changes in military pay to the Permanent Forces that the new rates certainly meant a reduction in pay to all the lower paid men, and that all under the rank of warrant officer will now receive less than the living wage in New South Wales?

2. Is it a fact that many of these men with families cannot possibly live on the pay fixed?

3. If so, who is responsible for the rates fixed?

4. Is it a fact that increases have been made to the higher paid officers, while junior officers and lower ranks have received no consideration or have been reduced?

5. If so, has this policy the approval of the Government?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. Attention has been called to the article mentioned.

2 and 3. Provision is made in the new rates that no married man will receive less than he formerly received, and the great majority will receive some increase. In addition to the new rate of pay, approval has been given for a special bonus to all married warrant and non-commissioned officers, and men at the rate of 6s. per week. This bonus is payable from 1st April, the date on which new rates came into operation. It is believed that these arrangements will provide adequate remuneration.

4. No.

5. See answer to 4.

OVERSEAS MAIL SERVICE.

Mr. MARKS asked the Postmaster-General, *upon notice*—

1. In view of the general unrest which prevails amongst all sections of the business community owing to the uncertain overseas mail service, resulting in many cases in considerable financial loss, whether he will issue a statement as to what is being done to provide an efficient overseas mail service?

2. Whether instructions will be given for—

(a) Earlier publication in the daily press of the pending dispatch of mails from Sydney?

- (b) Publication in the daily press when English mails have left England, and when they are likely to reach Sydney, also the name of the ship and route by which they are consigned?
- (c) Publication in the daily press of dates when mails from Australia arrive in England, and the name of the ship by which they were carried?
- (d) Publication in the daily press of the date when English mails *en route* to Sydney arrive at Fremantle, Albany, or New Zealand, and the probable date of arrival in Sydney?

Mr. WISE.—I am having inquiries made into this matter, and will reply to the honorable member's questions as early as possible.

COST OF LIVING: PROFITEERING.

Mr. AUSTIN CHAPMAN asked the Prime Minister, *upon notice*—

- 1. Is it a fact that profiteering is on the increase in Australia, and prices are being unfairly increased of many of the necessities of life?
- 2. If so, will he take steps to have this undesirable state of things changed?

Mr. HUGHES.—The answer to the honorable member's questions is as follows:—

The matter is one outside the control of the Commonwealth. As the referendum proposals were recently defeated, the Commonwealth has not the power to deal with profiteering.

COUNTRY TELEPHONES.

Mr. CHANTER asked the Postmaster-General, *upon notice*—

In reference to the application of the Car-gellico Progress Association for the construction of a telephone line between Ungarie and Car-gellico, will he state upon whose official report the estimated deficiency of £70 per annum was based, and the grounds for arriving at such estimate?

Mr. WISE.—Inquiries are being made, and a reply will be furnished as early as possible.

INTERNEES IN AUSTRALIA.

Mr. TUDOR asked the Minister representing the Minister for Defence, *upon notice*—

- 1. How many persons are at present interned in Australia?
- 2. When is it intended to release them?
- 3. Seeing that the armistice was signed in November, 1918, what is the reason for still detaining them?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

- 1. Thirty-two.
- 2. Such as are not repatriated will be released as soon as transport arrangements are completed, which will take place at an early date.
- 3. Practically all these internees are from New Guinea, and decision was held up pending receipt of mandate and settlement of Government policy, and at a later period detention was caused by inability to obtain transport.

NICKEL COINAGE.

Mr. BLAKELEY asked the Treasurer, *upon notice*—

Whether it is a fact that square penny and halfpenny nickel coins are to be struck; and, if so, will the Minister take into consideration the advisability of striking a coin for 1½d.?

Sir JOSEPH COOK.—The question of the issue of nickel coins is under the consideration of the Government, but no design has yet been decided upon. The advisability of striking a 1½d. coin will be considered if experience shows that the issue of such a coin would be justified on the ground of public convenience.

COMMONWEALTH SHIPPING.

SALE OF VESSELS.

Mr. MAHONY asked the Minister in Charge of Shipping, *upon notice*—

- 1. Is it a fact that the wooden ships built to the order of the Commonwealth Government, in America, and which were said to have been sold, have been returned to the Commonwealth Government?
- 2. If so, which are the vessels concerned?
- 3. Has any money been paid to the Commonwealth by the buyers?
- 4. Upon what date were these vessels handed to the buyers, and what was the date of the return of such vessels to the Commonwealth?
- 5. Is it a fact that these vessels were used by the buyers for trading purposes, earning profits for such buyers?
- 6. Will the Minister take steps to see that such profits are returned to the Commonwealth Government?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

- 1. Five of the wooden steamers built in America were sold to the Foreign and Domestic Transport Corporation of New York, and, owing to the default by the purchasers in the second payment, the vessels have been taken over by the Commonwealth.
- 2. The vessels concerned are—*Bethanga, Bel-lata, Berringa, Birriwa, and Bundarra.*

3. The sum of \$160,000 was received by the Commonwealth as a first payment on the first four vessels. The *Bundarra* had not been actually handed over to the purchasers at the time they defaulted.

4. The Foreign and Domestic Transport Corporation had possession of the four boats mentioned up till the first week in February, when they were returned to the Commonwealth Government by the purchasers with an intimation that they had not funds with which to make further payments.

5. The four vessels mentioned were used by the buyers for trading purposes, earning freights for such buyers.

6. The Government have already taken steps to secure such freight earnings as are available to liquidate the defaulting purchasers' liability.

OIL IN AUSTRALIA.

SUBSIDY TO PROSPECTORS.

Mr. MAKIN asked the Prime Minister, *upon notice*—

Whether the Government are prepared to make provision for a subsidy to prospectors for oil in Australia?

Mr. HUGHES.—The Commonwealth has already offered a bonus of £10,000 for the discovery of oil in Australia in payable quantities. The question of subsidies to prospect is rather a matter for the States than the Federal Government. The suggestion will be noted for consideration at the next conference with State Premiers.

INVENTOR OF THE TANK.

Mr. MAHONY asked the Prime Minister, *upon notice*—

1. Is it a fact that an Australian soldier, named Lancelot E. de Mole, was the original inventor of the tank which was used against the Germans during the late great war?

2. Is it a fact that the British War Office had Mr. de Mole's invention in 1912 and pigeon-holed it?

3. Is it a fact that the Defence Department, Perth, informed Mr. de Mole, in 1911-12, that it was quite useless to submit any plans to the local Invention Board?

4. Is it a fact that, after the British Minister for War refused to entertain the proposition, in 1913, Mr. de Mole was pressed by business men in Perth to offer the invention to the German Consul, and that he refused to submit it to any foreign power?

5. Is it a fact that on Mr. de Mole's invention being again offered to the British Government, in 1918, it was turned down on the advice of Major Wilson, who later shared the reward of £15,000 with Sir William Tritton for the invention?

6. Is it a fact that the British Royal Commission appointed in the matter paid Mr. de Mole £987—the actual expenses incurred—and stipulated that the fact should not be published?

7. Will the Minister take the earliest opportunity to have the matter thoroughly investigated, with a view to making a suitable grant if the evidence justifies it, and so enable Australia to give an Australian soldier a fair deal?

Mr. HUGHES.—Inquiries are being made, and the result will be furnished in due course.

WOOL CLIP: AGREEMENT.

Mr. RILEY asked the Prime Minister, *upon notice*—

1. Has he been in communication with the British authorities with reference to this year's wool clip?

2. When were negotiations opened, how far have they proceeded, and what are the prospects of an agreement?

3. Will the Prime Minister say what are the terms of that proposed agreement?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. No.

2 and 3. See answer to No. 1.

PUBLIC SERVANTS ON ACTIVE SERVICE.

ACCUMULATED LEAVE: PAY.

Mr. MAKIN asked the Prime Minister, *upon notice*—

Whether the Government intend conceding to Commonwealth employees the annual leave which was due, and accumulated during their absence abroad on active service?

Mr. HUGHES.—The Government do not propose to vary the decision of Cabinet, in 1916, not to grant accumulated leave to Commonwealth employees in respect of the period of their service in the Australian Imperial Force.

Mr. MARR asked the Prime Minister, *upon notice*—

1. Whether it is the intention of the Government to grant to Commonwealth public servants their annual leave, which accumulated whilst upon active service, as has been done by other Governments in Australia?

2. Is it a fact that officers of the Commonwealth Bank were paid half salary all the time they were on active service?

3. Was any member of the Commonwealth Public Service paid any portion of his salary whilst on active service?

4. If there is any difference in the treatment of officers of the two Services, will the Prime Minister state the reasons why men employed by the same Government are treated differently?

Mr. HUGHES.—The answers to the honorable member's questions are as follows:—

1. In 1916, Cabinet decided that officers of the Commonwealth Public Service should not be granted recreation leave in respect of the period during which they were members of the Australian Imperial Force.

2 and 4. Inquiries are being made, and the information will be furnished in due course.

3. No. Except that, on enlistment, officers were granted recreation leave for the year in which they enlisted (plus any arrears to which they were entitled), and in some cases officers were granted pay in lieu of furlough.

AUSTRALIAN OVERSEAS AND INTER-STATE SEA CARRIAGE.

Debate resumed, on motion by Mr. McWILLIAMS—

That a Select Committee, consisting of seven members of this House, be appointed to inquire into and report upon the conditions of the Australian Overseas and Inter-State sea carriage.

Mr. CORSER (Wide Bay) [2.47].—Since I last addressed the House on this subject there has been a considerable alteration in the position, the Government having handed back the ships to the various companies, under certain conditions. So far as my judgment goes, these conditions seem to be very good, inasmuch as they continue control over freights and fares; and this I regard as a move in the right direction. When this matter was before the House yesterday, the Leader of the Opposition (Mr. Tudor) informed the House as to the profits made in 1914 by the various steam-ship companies, and also the profits, according to the balance-sheets, right up to 1920. I then pointed out, by my interjection, that it would be only fair to also state the capital invested at the various dates, so that honorable members might judge whether the profits were fair or were exorbitant. The honorable gentleman should also have told us that some of the vessels on which the companies made these profits were out of Australia, and, therefore, beyond the influence of the Shipping Board; and, further, that some ships had been sold by the owners, as far as my memory serves, at something like 100 per cent. more than

their book values. Now, because I have asked the honorable member if it would not have been fairer for him to have given the House that information, he very ungenerously tries to make out that I have been interested in the steam-ship companies, or in some of them, at any rate. I emphatically assert that I have no interest in any shipping company. Of course, I desire at all times to see justice done, no matter whether the party or company concerned is a friend or an opponent. All I desire in the case of the shipping companies is justice, and I ask the Leader of the Opposition also to do justice, and not to mislead this House or the public. There has been an enormous amount of money made by some of the companies outside of Australia, and beyond the authority of the Shipping Controller. It all goes clearly to show that if we had not taken over control of shipping the industries of Australia would have been very seriously interfered with. As events have proved, we have been able to secure cheaper freight along the Australian coast than has ruled in any other part of the world. That is greatly to the credit of the shipping control. The Prime Minister, yesterday, gave valuable information to this House which should remove much of the misapprehension that may have been created by the remarks of the Leader of the Opposition. I move—

That all the words after "upon" be left out, with a view to insert the following words in lieu thereof:—

- "1. The organization and control of Inter-State shipping.
2. Oversea shipping in relation to Australian products for overseas markets and imports generally.
3. Methods to improve mail cargo and passenger services with overseas countries."

My reason for proposing the deletion of the words "the conditions of the Australian overseas and Inter-State sea carriage" is that if the Committee were appointed to inquire upon that basis it could enter into such matters as wages and similar subjects, for dealing with which machinery is already provided. The three considerations suggested in my amendment would cover the whole range upon which the Committee need base its inquiries.

Mr. McWILLIAMS.—I will accept the amendment.

Mr. TUDOR (Yarra) [2.56].—I realize that this Committee, if it is appointed, will be an important body. As a rule I have not favoured the creation of such investigating bodies by this Parliament, as I have held the view that it is the duty of Parliament itself to deal with matters of public importance rather than relegate them to the consideration of a small number of members. However, valuable work has been done in the past in matters such as that upon which the proposed Committee will inquire. I recall the formation of a Committee upon the motion of the then honorable member for Barrier, now Senator Thomas. This Committee was formed to deal with the question of Australian shipping, and with the rebates which the companies paid to their customers in order to compel them to deal with those companies. It was ascertained, as the result of investigations, that it was impossible for any firm to secure back freight with the shipping companies if they had not given their forward business to the same ships.

Mr. McDONALD.—A case brought to light at Maryborough was the worst of the lot.

Mr. TUDOR.—I recall that. There was certainly ample need for such an inquiry, and the Committee did good work. The proposed Committee also, I feel sure, will perform valuable service. Notwithstanding all that the Prime Minister said yesterday, and despite the statements of the honorable member for Wide Bay (Mr. Corser) to-day, the shipping companies of Australia have been on a very good wicket during recent years. The fact that other countries have suffered more than Australia is no reason why Australians should be made to suffer as much. I trust that honorable members who may be appointed upon the Committee will push forward their investigations and report to Parliament at the earliest opportunity, so that this House may deal with their recommendations. According to the statement made by the honorable member for Franklin (Mr. McWilliams) to-day, word was sent out by the Controller of Shipping, inviting the companies to increase their freights and fares 20 per cent., in view of which enormous profits were made. It is all very well for the honorable member for Wide Bay to assert that I did not mention yesterday the

amount of capital involved in the various shipping interests, and that I did not say whether the companies were making bigger profits now than formerly. The honorable member must be aware of the amount of watering of stock that has been going on.

Mr. CORSER.—And of the fact that more capital has been put into the companies.

Mr. TUDOR.—There are companies in Australia which have been afraid to pay the enormous dividends that they could very well disburse. They have piled up reserves year after year, with the intention, when the opportunity arrives, and when the people are not watchful, and have become accustomed to the continual watering of stock, of declaring dividends upon the increased capital. That sort of thing is being done with respect to nearly every company in Australia to-day.

Mr. FLEMING.—That is a very wild statement.

Mr. TUDOR.—I guarantee that two-thirds of the companies in Australia have done it. I know of companies in Victoria that have done it.

Mr. CORSER.—It may have happened in Victoria.

Mr. TUDOR.—The Colonial Sugar Refining Company, for which the honorable member for Wide Bay (Mr. Corser) is always apologizing, is the worst offender, having watered its stock to the extent of £3,000,000, as proved by the Royal Commission on the Sugar Industry.

Mr. CORSER.—I am never apologizing for the Colonial Sugar Refining Company. I merely wish to have the facts stated correctly.

Mr. TUDOR.—I am giving the facts. I am not an apologist for any company. I mentioned Victoria. Of course, no such thing could happen in Queensland.

Mr. FLEMING.—It is not correct to say that it happens in any State to the extent of two-thirds of the companies operating.

Mr. TUDOR.—Manufacturing companies, shipping companies, and companies in other industries have put their profits into reserves, and then converted those reserves into stock. In a sub-leader, the *Argus* said it was a wise thing for companies to divide their reserves and put them into capital. I have said before that men who take you down on the race-course with the three-card trick are more

honest than those who advocate that method of watering capital. However, I trust that the proposed Select Committee will be appointed, and get to work immediately, so that it may bring in a report of advantage to the people of Australia.

Mr. RICHARD FOSTER (Wakefield) [3.3].—I intend to say a few words in support of the motion. I agree with the Leader of the Opposition (Mr. Tudor) that while it is not advisable, except in cases of extreme urgency, to refer questions to Select Committees, yet there are one or two phases of this subject upon which the interests of the people demand that Parliament should be fully informed. I do not intend to follow those who have spoken about the treatment of Australia by the Inter-State shipping operations. It is quite clear to nearly every one who has read what has taken place during the war, that the dividends earned by the Inter-State shipping companies have been secured largely by the very high prices paid by the Imperial Government for commandeered vessels.

Mr. McDONALD.—That is on the overseas trade.

Mr. RICHARD FOSTER.—Certainly, and that is how the excessive dividends, if they are excessive, have been earned by these companies. During the war the Commonwealth Government has had absolute control. There has not been a penny increase in charges except with its concurrence. I am speaking with knowledge of the subject, because I have been in business contact with the Inter-State shipping companies for the last thirty or forty years. However, my concern is not so much with the past as with the future, and it is about the future that I desire the House and the people of the country to be fully informed. The position is that many of the Australian shipping companies have sold the pick of their fleets at very large prices, in some cases at double the cost of the vessels when new, and I think I am correct in saying that some of them have entered into new relationships during the last year or two.

Mr. McWILLIAMS.—I think that nearly all of them have done so.

Mr. RICHARD FOSTER.—A good many of them have done so, and we do not know what treatment Australia is to receive in the future. That is the very information we ought to have. Some of

the shipping companies have got rid of nearly half of their effective fleets.

Sir JOSEPH COOK.—As long as they have got rid of their old vessels and purchased new vessels it will be all the better for Australia.

Mr. RICHARD FOSTER.—I merely mentioned the point in order to show that we do not know how we are to be treated in the immediate future. I was about to say that, in disposing of their vessels, some of the companies intended to restore the strength of their fleets and supply Australia with perfectly up-to-date vessels in place of many obsolete steamers they have got rid of, but they have not been able to secure the new vessels so far. One of the biggest companies thought that it would pay them better to wait until they could buy or build at a much cheaper rate. So far they have not been able to do so, and now that Government control of Inter-State shipping has been withdrawn and private enterprise is again in full operation, it is essential to know exactly what service is to be given to Australia. Particularly is it essential that we should know what service we are to get overseas. For these reasons I have very much pleasure in supporting the motion as amended.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [3.8].—I see no objection whatever to the amendment as suggested by the honorable member for Wide Bay (Mr. Corser). A great deal of good and useful work can be done by a Committee of this House, carefully selected, bending its energies and intelligence to the consideration of the future outlook of shipping in Australia. The Government heartily welcome such an inquiry. All sorts of statements have been made from time to time, and it is just as well that the facts of the situation should be known. But above all, I remind honorable members that it is useless to trouble very much about what happened during the days of war, when the trade and commerce and industry of the whole of the nations of the world were completely dislocated. Our present duty is to see that we are facing the future with fair prospects of success. Australia is a marine country entirely dependent for its life blood upon its shipping, and it is a matter of the most urgent moment that we should know exactly what the future may be, and just how Australia is shaping to meet the newer and, we hope, better outlook.

Mr. FENTON.—What are the Government doing in regard to shipbuilding in Australia?

Sir JOSEPH COOK.—The matter of shipbuilding has nothing to do with the question under consideration; but, incidentally, I may say that I believe that the results so far are entirely satisfactory, indicating that our workmen are the equal of any workers in the world—of course, making allowance for the differences in tradition and training. Some countries have been building vessels for ages, and there is a sort of traditional skill among their workers which is almost hereditary with them. We, on the other hand, are a young country, but, of course, we belong to the same race, and our workmen have inherited the same skill. What our enterprise in shipbuilding has shown is that in the process of transplantation from older to newer countries we are losing nothing of the skill and cunning of the old days, but are actually adding to and crowning that which has been the distinguishing feature of the British Empire in the past. All this is infinitely satisfactory, and if we can address ourselves in the same spirit to the future I believe there is in every way a good outlook for Australia.

Coming to the question of ship construction, I believe that nearly all, if not all, of the vessels built by the Commonwealth Government have cost well under £30 per ton. When the Prime Minister (Mr. Hughes) and I passed through the United States just before the war closed, I saw a steel standard ship of 8,800 tons which had just been launched at a cost of £38 per ton to the Government of the United States of America.

Mr. TUDOR.—Some vessels which were built before the war were sold up to £60 per ton during the war period.

Sir JOSEPH COOK.—That is so, but I am speaking now of the price which the Government of the United States of America had to pay for the construction of ships that were being turned out *en masse* all over the States. Being standardized, they were of cheap construction, yet were costing £38 per ton. The comparison shows that our cost of construction is coming out exceedingly well—a fact upon which we may all congratulate ourselves. I hope the shipbuilding industry in Australia will prosper,

as it must, if, remote as we are from other countries, we are to hold our own.

The proposed Select Committee is, however, quite another matter. It will have to do with the organization and control of shipping from a business standpoint as well as from the point of view of construction. An inquiry of this kind, conducted with a view to ascertaining the facts, and finding out what it is best to do to meet the future, must be attended with good results. The Government welcome the proposed inquiry, and accordingly accept the amendment.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [3.13].—May I complete this matter by moving, with the concurrence of the House—

That the following members form the Select Committee:—Mr. Atkinson, Mr. Burchell, Mr. Corser, Mr. Foster, Mr. Mathews, Mr. McWilliams, and Mr. Watkins.

Mr. RILEY.—The Labour party is to have only two representatives out of seven members of the Committee. That is not a fair proportion.

Sir JOSEPH COOK.—What is?

Mr. RILEY.—We should have three representatives on the Committee.

Sir JOSEPH COOK.—The Select Committee will consist of seven members drawn from three different parties. I think the apportionment is fair, and follows the usual practice.

Mr. MATHEWS (Melbourne Ports) [3.14].—While I should like very much to be a member of the Committee, I think that the honorable member for Dalley (Mr. Mahony) has taken a good deal of interest in the questions to be dealt with by it, and I therefore ask that his name be substituted for my own in the motion.

Sir JOSEPH COOK.—There is no objection to that.

Question (by leave) amended accordingly, and resolved in the affirmative.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [3.15].—It is usual in connexion with the appointment of a Select Committee to stipulate what number of members shall constitute a quorum. I accordingly move—

That three members of the Committee be a quorum.

Mr. McWILLIAMS.—Make it four

Mr. TUDOR (Yarra) [3.16].—I think we should go further in this motion and give the Committee power to send for persons and papers.

Mr. POYNTON.—That will be covered in the instructions to the Committee.

Mr. TUDOR.—Select Committees appointed by this Parliament have failed before to-day, notwithstanding that we have endeavoured to clothe them with full power. The Colonial Sugar Refining Company defied the Sugar Commission, although we passed an Act of Parliament empowering the Commission to compel representatives of the company to attend before it and give evidence. If this Committee is to do any good it will certainly come into conflict with vested interests, and we should therefore take care to give it power to compel the attendance of witnesses and the production of documents and papers.

Mr. McWILLIAMS (Franklin) [3.17].—I was about to refer to the same matter. I accepted the amendment to the original motion, believing that it would permit of the full inquiry that we desire. The *personnel* of the Committee is such that every one will get a fair deal from it; but unless it is empowered by the House to compel the attendance of persons and the production of papers giving information that it may justly need in order that the desired reforms may be secured, it will be unsuccessful.

Sir JOSEPH COOK.—There will be no trouble in that regard.

Mr. McWILLIAMS.—Does the right honorable gentleman say that that power will be given to the Committee?

Sir JOSEPH COOK.—Yes.

Mr. McWILLIAMS.—I am satisfied with that assurance.

Mr. FENTON (Maribyrnong) [3.18].—I do not doubt the word of the Minister for the Navy, but I think that we ought to include in this motion words providing that the Committee shall have power to call for persons and papers. That course is always adopted.

Mr. SPEAKER (Hon. W. Elliot Johnson).—Order! Honorable members are discussing a matter that is really not before the Chair. The motion is that three members of the Committee shall form a quorum, and after it has been disposed of it will be permissible to submit a further motion dealing with the powers of the Select Committee.

Question resolved in the affirmative.

Motion (by **Sir JOSEPH COOK**) agreed to—

That the Committee have power to send for persons, papers, and records, and have leave to move from place to place, and report on this day three months.

INSPECTION OF PRODUCE.

Mr. ATKINSON (Wilmot) [3.23].—I move—

That, in the opinion of this House, the Government should forthwith give effect to the motion passed by this House in a previous Parliament, that the Commonwealth should take over the inspection and effective control of produce passing from State to State.

I first brought this matter forward in 1910. In subsequent years, I moved similar motions, and finally the House agreed to the proposal. At that time, the honorable member for Yarra (**Mr. Tudor**) was Minister for Trade and Customs; and, in reply to a question by me, he said that the Government would not take any steps to give effect to the resolution of the House until after the termination of the war. During the war, Western Australia was imposing very heavy inspection fees on produce imported from other States, and those fees were having the same effect as a duty additional to the £1 per ton provided for in the Tariff. The producers in other parts of the Commonwealth felt that this charge was unfair; and, after some remonstrance by the then Minister for Trade and Customs (**Mr. Groom**), Western Australia reduced the inspection fees on potatoes from about 15s. to 2s. 6d. per ton. The object of this motion is to provide that when one State sends to another produce that is fit to go into consumption, it shall be inspected by Federal officers instead of State officers, and that when the produce has been passed, the Commonwealth shall have sufficient power to insure that it reaches the market to which it is consigned. At various times crop diseases have made their appearance in different States, and the products which have been sent from the affected State to another have been condemned under the powers conferred by State laws for the prevention of such diseases. Such action has given rise to a good deal of unfederal feeling, trade has become unsettled, and neither the merchant nor the grower knew exactly

where he was. At times the consigning State has felt that its products had been condemned unfairly, not for the purpose of keeping disease out of the receiving State, but rather in order that local growers should retain full possession of the local market. Of course, any State that uses its police powers for that purpose infringes section 92 of the Constitution, which provides that Inter-State trade shall be free and untrammelled. Legal action could be taken against such a State, but we learned when the ex-honorable member for Angas (Mr. Glynn) was Attorney-General that it was not for the Commonwealth to take action, but for the aggrieved consignor or the Government of his State. Legal proceedings of this character would occupy considerable time, and in the next season the disease would be absent, and no trouble would be experienced with the purchasing States. The result was that any legal proceedings which were threatened fell into abeyance. On previous occasions, Federal Ministers have objected that it is practically impossible to exercise these inspection powers under the Constitution. I do not agree with that contention; I believe that Ministers are anticipating obstacles that do not exist. At any rate, this Parliament, on a previous occasion, agreed to a similar motion, and I earnestly ask the Government to seriously investigate the matter. Only a small change in governmental machinery would be necessary, but the consequences would be very beneficial; it would tend to produce a better feeling between the producers in the various States, and would eliminate the distrust and bitterness which arise when one State condemns the produce of another. Things which have happened have tended to make the producers suspicious. On one occasion potatoes sent from Victoria to Queensland were condemned on arrival. They were returned to Victoria, and the local inspector again examined them, and found them to be sound and healthy. On another occasion potatoes consigned from Devonport were rejected at Sydney. They were sent back to Devonport, rebagged, and again consigned, and were accepted as excellent potatoes. This occurrence led the Tasmanian growers to think that New South Wales was using its police powers unfairly, not for the quite proper pur-

pose of keeping out disease, but merely in order to shut another competitor out of the Sydney market so that the New South Wales growers, who had experienced a good season, should have the market to themselves. I say that that is not justified. Federal inspectors, however, will constitute an impartial tribunal, and it could not be said of them that they favoured any one State as against another. Their appointment would create a better feeling than too frequently exists now.

Mr. McDONALD.—That is a slur on the State inspectors.

Mr. ATKINSON.—I do not cast any slur on the State inspectors. I do not say that the charge that one State has been favoured against another has any justification; but it has been felt at times that fair play is not being shown. The interests of New South Wales would be as safe in the hands of a Federal as they are in the hands of a State inspector. Under the Constitution, the States are allowed to charge fees for inspection, but under section 102 all charges over and above the cost of the work done become the property of the Commonwealth. Western Australia was charging a fee of 15s. per ton, but reduced the charge to 2s. 6d. per ton; and probably the Minister of the day, had he liked to do so, could have compelled the State authorities to give an account of the difference which had been charged in the past, and pay it into the Commonwealth Treasury. The existing friction should be removed. Only a slight change of machinery is needed to remove it. When Mr. Glynn was Attorney-General, he gave the opinion, in connexion with some matter affecting vines in South Australia, that certain amendments of the Quarantine Act would enable the Commonwealth to do what is desired. I do not know whether that is so, because, until the High Court has pronounced on it, no constitutional question can be considered as definitely determined. In the interests of all concerned in the sending of produce from State to State, the inspecting authorities should have a Federal status. Gradually the States are coming closer together on a number of matters, and difficulties are vanishing as they are discussed.

Mr. MAXWELL.—What, in short, is the object of the motion?

Mr. ATKINSON.—To provide for the inspection of produce passing from State to State by Federal instead of State officials, and thus remove the friction which now sometimes arises, and the accusations that States are using their power of inspection to keep out produce, for the protection of local growers.

Mr. McDONALD.—Why attack the States?

Mr. ATKINSON.—I am not attacking the States or any one else. I am merely speaking of what has happened, and showing how trouble can be prevented in the future. The discussion of this matter in the House has already done good. The honorable member for Darling Downs (Mr. Groom), when Minister for Trade and Customs, appealed to the Western Australian authorities, with the result that they reduced their inspection fees, as I have said, from 15s. to 2s. 6d. a ton. I urge upon the Government the holding of a conference or some other communication with the State authorities for a discussion of the matter. I am convinced that satisfaction will result from such action.

Mr. PROWSE (Swan) [3.37].—In my opinion, if the motion were carried, it would defeat its own object, because there would be again the cry that State rights were being interfered with. The honorable member for Wilmot (Mr. Atkinson) has, however, made a suggestion which, in my opinion, should meet the case. A Premiers' Conference is to be held shortly, and if the matter were brought before it some agreement might be arrived at concerning the inspection of produce passing from State to State. Undoubtedly co-ordination in this and other matters would benefit trade, and be of advantage to the community generally.

Mr. TUDOR (Yarra) [3.38].—I think that the honorable member for Wilmot, when I was Minister for Trade and Customs, moved and carried a motion similar to that now under discussion. Undoubtedly, some of the States have used their powers of inspection to protect their local producers. In some cases, produce imported from other States has been absolutely ruined by the system of inspection adopted. I would not vote for an arrangement under which a Victorian

official was empowered to say whether goods should be allowed to go to another State, because State officials might be tempted to relax an inspection which was not being made in the interests of their own State. Undeniably, every State has the right to do what it can to prevent the introduction of diseases and pests. Western Australia was, and I hope still is, free from codlin moth, being, I think, the only State that has not got that disease. In my opinion, the prevention of the spread of diseases can be best brought about by Federal inspection, though I do not share the hope that the State Premiers will agree to hand over to the Commonwealth any powers for the bettering of the position.

Mr. PROWSE.—The passing of the motion as it stands will cause friction with the States, and we do not want any more of that.

Mr. TUDOR.—We do not want friction with the States, but no State should be permitted to use its powers of inspection to shut out the produce of other States. When Minister for Trade and Customs, and speaking to a former motion of the honorable member for Wilmot, I took the same attitude. Every State in Australia had Irish blight.

Mr. PROWSE.—Except Western Australia.

Mr. TUDOR.—Western Australia had it, too. Except for the codlin moth, that State has as many pests and diseases as any other, and no State should use its powers of inspection to the detriment of other States. In my opinion, Commonwealth inspection, in some cases at least, would be better than State inspection, which has occasionally proved faulty; and I believe that this Parliament has already carried a resolution approving of Commonwealth inspection. We know that there were instances in which stores for hospital ships and transports were passed by State inspectors, and afterwards found to be diseased, and the circumstances made it impossible for the disease to have appeared after the State inspection. In those cases, the State inspection was faulty. With Commonwealth inspection, the interests of all the States would be safeguarded. We should do all that we can to prevent diseases from spreading from State to State, but without Commonwealth inspectors it is impossible to know exactly what is the position in any State. I hope that the motion will be passed.

Mr. FLEMING (Robertson) [3.44].—The only fault I find with the motion is that it does not go far enough. In my opinion, there should be no restriction of trade between the States further than may be necessary to check the spread of diseases. I should like to see the words "and live stock" inserted after the word "produce" in the motion. In many instances, State authorities have acted in such a way as to greatly restrict trade in live stock, and in some cases have thus caused severe losses to the community. To my knowledge, the community, as a whole, has, on occasions, lost hundreds of thousands of pounds, and the cost of living throughout Australia has been proportionately increased owing to the jealousy between Queensland and New South Wales, and the same undoubtedly occurs in many instances in regard to produce.

I call the attention of the House to a very much better way in which these matters are managed in the United States of America, from whose "book" we ought to take a "leaf." From an American official publication I take the following:—

A Bureau of Markets has been established as a branch of the United States Department of Agriculture to deal with problems as associated with marketing of agricultural produce, and particularly with perishable produce. This Bureau has rendered service to the community, because it has been able to bring about a wiser distribution of agricultural produce, has reduced losses by wastage, and has, therefore, benefited both producer and consumer. Moreover, through the agency of the Bureau the marketing of perishable produce has been converted from a hazardous into a steady business. The Bureau carries out three classes of activity:—

- (1) Investigational work in marketing of produce;
- (2) The supply of regular market reports on all types of produce;
- (3) Regulatory work in connexion with the enforcement of the Grain Standards Act.

The investigational work includes the marketing and distribution of farm products, food supply investigations, co-operation with the States in solving marketing problems. The investigations cover market conditions, demands for specific crops, sources of supply, methods of grading, standardization, packing, and shipping.

This bureau exercises all activities in connexion with the bringing of produce from the market garden or the farm direct to the consumer.

In these days every one is suffering from the tremendous increase in the cost of living. This is owing chiefly, not to

lack of produce, but, on the one hand, to an inflated currency—which we can deal with at another time—and, on the other hand, to lack of method in distribution. There are many places in Australia to-day where large quantities of valuable produce, more particularly vegetable produce, is rendered almost valueless owing to the lack of transport facilities. One of the greatest needs in Australia to-day is to hasten transit of produce from the farm to consumers. If this motion now brought forward by the honorable member for Wilmot (Mr. Atkinson) is carried, we shall do good in this direction, and it ought to have the support, not only of those interested in primary production, but of those from whom we hear so much in support of the consumers. In my opinion, the solution of practically all the problems in this community rests on the provision of proper facilities for the producers. With all our natural capacity for production, we have lagged behind almost every other people on the face of the earth in encouraging and aiding those whose work it is to feed and clothe the people. The removal of a difficulty such as that with which we are now dealing will help, at any rate, in bringing us nearer to a solution; but it is only a slight step, and we shall never have any satisfaction until the House and the country realize more fully the truth of the old Roman saying that we may destroy our cities, and the country will rebuild them; but if we destroy our rural districts, grass will grow in the streets of the cities. I am glad to see that on private members' day a motion is brought forward which shows that there is some active interest, even if it be in a minor way, in enabling the primary producer to get something like a satisfactory market and a reasonable return for his labour.

Mr. FENTON (Maribyrnong) [3.50].—I support the motion, and do so principally for the reason that the States, if they felt so inclined, could, not only in this, but in many other matters, thwart legislation passed by this Parliament. If there was one thing that we thought was firmly embedded in our Constitution, it was Inter-State Free Trade; we felt that all barriers were wiped out, and ample provision made for the free passing from one State to another of produce and other goods which would have no injurious effect in the State to which they were sent, whether across the border by land

or from port to port. Honorable members from Western Australia should be the first to support a motion of this kind, because we have an illustration of how, by means of a regulation, that State was able to practically say there should not be free trade in produce from Tasmania and Victoria.

Mr. BURCHELL.—Queensland and New South Wales afford other examples, and the most glaring case was that afforded by the latter State in the matter of wheat.

Mr. PROWSE.—It was desired to force influenza on Western Australia.

Mr. FENTON.—No State would ever think of inflicting that contagion on another State. I agree with the Leader of the Opposition (Mr. Tudor) that the Commonwealth, in every-day language, has no particular axe to grind, whereas a State public servant may be prejudiced in favour of his State and its produce, and inflict hardship on the producers of another State.

Mr. PROWSE.—A Federal public servant could just as easily be corrupted.

Mr. FENTON.—I do not think so. A Commonwealth inspector may be transferred from State to State according to the requirements of the Service, whereas State officers, as a rule, are kept in one spot. Without desiring to cast any reflections, I fear that there is a tendency on the part of State officials, if they find their Government has a leaning in a certain direction, to give such decisions as will please the Government; indeed, this has occurred in the past. Could there be anything more glaring than a regulation imposing an inspection duty of 15s. a ton on potatoes on the Fremantle wharf, and thus thwarting what is one of the main principles for which we federated? This applies not only to potatoes, but to many other classes of produce. Unfortunately, the High Court upheld the State Government to which I am now referring, and this shows a serious defect in the Constitution. We are not here simply as members for particular States. The honorable member for Swan (Mr. Prowse) only yesterday appealed to honorable members to take a broad Australian view—to consider all these questions in a national spirit. If we are to do this, we must eliminate everything likely to create disintegration in the Commonwealth.

Mr. HILL.—Does the honorable member think that duplication of inspectors would facilitate transport?

Mr. FENTON.—There is no necessity for duplication. I have listened to four addresses on this same subject by the honorable member for Wilmot (Mr. Atkinson), and on each occasion he has made out an exceptionally strong case.

Mr. HILL.—That does not prove that there will not be duplication.

Mr. FENTON.—There is no necessity for duplication if experts who know their business are appointed. My own hope is that not only in this, but in other matters, duplication will be eliminated, for this would result in considerable saving of money. If I thought that this motion meant duplication I should be averse to it, though even then we would only be doing a just thing in adopting it. I am not a States Righter in any shape or form.

Mr. McDONALD.—You are in favour of Unification?

Mr. FENTON.—I do not say that. As the honorable member for Cowper (Dr. Earle Page) said in his maiden speech—

Mr. HILL.—He is a great Conservative.

Mr. FENTON.—I do not care what he is so long as he takes a broad Australian view. If I found that Western Australia was suffering an injustice, I should help Western Australian members to fight against it. I certainly am not in favour of diseased fruit or other produce being sent to a clean State.

Mr. PROWSE.—The matter could be better arranged by mutual arrangement amongst the States.

Mr. FENTON.—Surely the State Governments are amenable to reason and open to accept a proposition by which the Commonwealth would relieve them of their present expenditure on inspection?

Mr. PROWSE.—The Commonwealth inspectors would have to be paid.

Mr. FENTON.—There is no need to pay two inspectors. Doubtless, the Minister for Trade and Customs would have to engage more inspectors than he has at the present time, but it is quite "on the cards" that the gentlemen now performing the duties for the States would be appointed. If these officials can be trusted as State officers, we ought to be able to trust them as Federal officers to give all concerned a fair deal.

Mr. CORSER (Wide Bay) [3.58].—I do not believe in Unification, but I do believe

in Inter-State Free Trade, which, I fear, has very often been interfered with. I remember instances where the owners of stations in Queensland, who also had stations in New South Wales, were called upon to pay a considerable deposit to the present Queensland Government before they could send stock to their New South Wales stations, and the deposit became forfeited if the stock were not returned. As honorable members will see, this was really an export duty. In another case, when the Queensland Government were importing flour from the Argentine, merchants were debarred from importing flour from New South Wales to sell against Queensland Government flour: this because the merchants were obtaining their flour at a cheaper rate than were the Government. Such interferences with Inter-State Free Trade should be stopped as far as possible. No one should be able to say that because New South Wales or Victoria has sufficient produce of its own to sell, Tasmania should be debarred from sending produce to those States. That applies to Queensland and to every other State. It is our duty here to represent the whole of the Commonwealth, and not any single State. For that reason, I intend to support the motion.

Mr. BOWDEN (Nepean) [4.1].—Anything tending to simplify methods of distribution between State and State is, in my opinion, for the general good. It is calculated to keep down the cost of living generally, and of the commodity in question particularly. In my view, the effect of the motion will be not only to reduce the cost of living, but to minimize the friction which so often arises between various States regarding the distribution of State commodities. I do not see why the whole subject covered by the motion should not be dealt with by the Commonwealth authorities as effectively as by various State Departments to-day. I believe that inspection of produce would be more satisfactorily carried out under the Commonwealth régime, following upon voluntary arrangements between Commonwealth and States, than if an effort were made to enforce Commonwealth control. If the matter of inspection were arbitrarily taken over by the Commonwealth, the States, backed by their police powers, would still be able to interfere and, to a very large extent, negative the work of the Commonwealth

inspectors. Uniformity of regulations and standards would tend to facilitate distribution of produce, and thus considerably help the consumer. I do not suggest that any deliberate attempt is made to-day by one State to block the imports of another; but there are always people who will say that the regulations framed by different States are intended mainly to bolster the industries of the States concerned at the expense of those of the remaining States. If the control and inspection of produce and commodities at the State borders were taken over by the Federal authority, that charge, at any rate, could no longer exist. It is desirable not only that such imputations should be unuttered, but that a condition of affairs be brought about wherein no such imputations could conceivably be levelled; and because I believe that the best course would be to establish Federal control, I intend to support the motion.

Mr. JOWETT (Grampians) [4.4].—I have been considerably impressed with the arguments of the honorable member for Wilmot (Mr. Atkinson), but I have been struck also by the absence of any proposed solution of the fundamental difficulty associated with this and all such matters, namely, the clashing of State and Federal authorities—the duplication between State and Federal control. No doubt, the arguments in favour of Federal inspection at the borders, in respect to produce and live stock passing between one State and another, are exceedingly strong. But unless we can secure some guarantee that upon the establishment of Federal inspection the present State inspection will cease, the outcome of this motion will merely be to add to the welter of duplication. I would strenuously oppose any suggestion to create new Federal Departments and responsibilities unless, at the same time, there were guarantees that the corresponding State activities should cease.

Mr. ATKINSON.—All that is intended by this motion is to bring about a change from State to Federal authority.

Mr. JOWETT.—If I can be assured that such will be the outcome, I shall warmly support the motion.

Mr. BOWDEN.—There would probably be the same officers employed as to-day.

Mr. JOWETT.—My experience of duplication between State and Federal authorities does not impress me in that

direction. Whenever the Federal authority has proposed the establishment of functions which hitherto have been carried on by a State Department, the State Government concerned has often strenuously opposed the proposal to abrogate its own functions.

Mr. ATKINSON.—If the Federal functions were to be additional to the present State inspections, it would be of no use to proceed with my motion.

Mr. WEST.—We cannot interfere with the States. It is of no use to ask them to relinquish their activities.

Mr. JOWETT.—Of course not. It is not likely that the States will abandon their present powers and functions at the borders. The subject is one, indeed, which might well be remitted to the next Premiers' Conference. There, the Commonwealth representatives might be able to learn whether the State Governments would be willing to relinquish their border inspection activities. Or the whole subject could be set aside for consideration by the forthcoming Constitution Convention. At this stage I intend to support the motion.

Mr. GREENE (Richmond—Minister for Trade and Customs) [4.10].—So far as the Government is concerned, we have no objection to this motion. I strongly hold the view that Federal inspection at the State borders will be for the benefit of our primary producers and others, and that nothing but advantage could be derived from making the conditions all over Australia identical. There should be uniformity. I do not subscribe to the view that, if one or more of the States were to hold out and threaten to use their police powers in order to render nugatory the action of the Commonwealth, that action of itself should prevent the Commonwealth from doing the inspection work. In such circumstances, we should go ahead and throw the responsibility definitely upon the interfering State. Already honorable members must be aware that the Commonwealth has taken over the inspection of certain classes of products which pass between the States. Dairy produce, for example, is entirely under the control of the Commonwealth to-day, so far as Inter-State trade is concerned.

Sir ROBERT BEST.—But the work is performed by State officers.

Mr. GREENE.—Not now. The Commonwealth Government has appointed its own inspectors. The reason for that has been that we have found it impossible, working with a number of State officers, to secure uniform standards for export.

Mr. JOWETT.—What has become of those State inspectors?

Mr. GREENE.—Most of them are now in the Commonwealth employ.

Mr. ATKINSON.—And that is what would happen as the outcome of my motion.

Mr. GREENE.—There are quite a number of duties performed to-day under the Commerce Act by State officials. In cases where the amount of work to be done was not sufficient to warrant the appointment of permanent men in the Commonwealth service, I have no doubt that we would employ State officers who are at present engaged. But I am not altogether satisfied with the employment of State officers for Federal duties. Our experience has not been entirely happy. Nevertheless, the expenditure upon the appointment of new Commonwealth officials would not be warranted if it were found possible to carry on with the State officers already available.

The Government is listing for the consideration of the next Premiers' Conference the matter of the standardization of quite a number of items, both manufactured and otherwise, in order to arrive, if possible, at common standards—thus rendering immense assistance to producers and manufacturers throughout Australia. I hope that the next Premiers' Conference will arrive at a decision which will enable common standards to be set up, and if the States come into line it will immensely assist us in any work of inspection which may be requisite at the borders.

Mr. WEST (East Sydney) [4.14].—I often have a good laugh over the form of government existing throughout Australia. The present system of divided authority is about the most ridiculous thing I have ever heard of. I am afraid that the motion, if it is carried, will not bring about better control of produce passing between one State and another and overseas. We have only recently been informed through the press of a shipment of jam having been so packed in Australia

that it arrived in an unsound condition, and was unfit for consumption at its destination on the other side of the world. We have that statement on the authority of the firm of Jones and Company, Hobart. Our experience of State control does not lead us to repose any trust in it. It is the duty of the Commonwealth to protect the whole of Australia in regard to the matter of exportations, especially at a period when rates of exchange are so high. If the people of Great Britain form the opinion that imports from Australia are not fit for human consumption, it is likely to interfere considerably with our trade, just when it should be our duty to export as much as possible and import as little as possible. Only in this way can we hope to overcome the difficulty of the increased rates of exchange.

No honorable member will oppose the proposal to have one inspection of produce and that a Federal matter. We are told that the question will be dealt with at a Premiers' Conference, and in this connexion I am glad to say that Mr. Holman, the arch enemy of Federal progress, will not be in attendance at the next Conference.

The greatest problem throughout the world to-day is the matter of transportation and distribution, to which the honorable member for Robertson (Mr. Fleming) has drawn attention. We can produce in Australia more than we require for our own consumption, and we could export larger quantities of produce if we had the means of transporting it to other markets. We have also to overcome the heavy cost of distribution. The producer has now to take his potatoes to a railway station or a wharf; from the railway or the steamer the potatoes are carted to an agent; the agent takes them to the market; from the market they pass to the shopkeeper, and from the shopkeeper to the consumer. The present costly system of distribution is one of the principal causes of the present high prices of commodities and produce. One solution of the high cost of living would be a scheme by which produce could pass more directly from the producer to the consumer. If a case of apples is taken into a market in Sydney it is bought by other persons than those of my own race, and conveyed to a shop in the city, for which the proprietor is obliged to pay a rental

of £25 per week, in addition to having to incur the expense of providing light and assistance. How can people expect to get cheap fruit in such circumstances?

I am firmly of opinion that there should be one method of control of produce. We cannot depend on action at Premiers' Conferences. State Ministers are too jealous of the little authority remaining to them to part with any of it. We shall always have considerable difficulty in overcoming their opposition to Federal control until we alter our Constitution. When I voted for Federation I did so believing that it was the only means by which steps could be taken to bring about a united Australian opinion, and that the intelligence of future Commonwealth Parliaments would be sufficient to grapple with all difficulties as they arose. The subject dealt with in the honorable member's motion is one which was mentioned by various speakers at the Federal Conventions, and I think that the Federal Government ought to have the courage to tell the State Premiers that they are only second-rate articles, and that the real first-class article is the Commonwealth Government. They ought to tell them that, apart altogether from economic reasons and the matter of cost and so forth, this dual control of produce should cease. Unfortunately our Ministers have not sufficient courage to do this. I do not know what I would say if I were in England endeavouring to explain why Australia has fourteen Houses of Parliament and seven Governors. I am afraid we shall never be able to explain how it is that there are so many controlling forces in Australia, but I believe that if the Federal Government had the courage to take the action I suggest they would have the people of the Commonwealth behind them. If ever I have the opportunity of getting on the Government bench the people will have in me the strongest advocate of a cessation of this dual control.

MR. HECTOR LAMOND.—Does the honorable member think that the States would agree to it?

MR. WEST.—I would simply tell them that we proposed to assume this control. If I were a State Minister, of course I would do nothing to lose my job, but in this House we ought to rise

above that sort of thing, and our Ministers to-day could do it if they felt so disposed. The time must come sooner or later, when earnest consideration must be given to the question of the heavy cost of the transportation and distribution of produce. Here we can grow any mortal thing we require, and if our primary producers received some encouragement in the matter of the disposal of their produce they would grow it in greater abundance, not only for consumption in Australia, but also for export, and I think that the Federal Government should be the sole authority to satisfy the people into whose country any of our produce is passing as to its soundness. If we go to a division, I shall certainly vote for the motion. I hope the Government will rise to the occasion, and at the first opportunity tell the States that the time has come when a stop should be put to the present foolish system. Many of the people are disgusted with the way in which the affairs of this Parliament are conducted. It is little wonder that some of our friends outside have no respect for parliamentary institutions, in view of the want of courage shown by members of this Parliament in demanding the exercise of the powers conferred upon it by the people. No greater honour could be enjoyed than that of representing the people in the National Parliament. I am proud to be a member of this House, and I want every honorable member to arrive at a proper appreciation of the importance of the National Legislature. Those who read the speeches made by the leading members of the Federal Convention will realize what was the object of the founders of Federation, who were among the brainiest men in Australia. I hope the Government will show that they have a knowledge of the wants of the country by accepting this motion, and giving effect to it.

Dr. MALONEY (Melbourne) [4.33].— I support this motion, knowing as I do that when our soldiers were going to the Front to fight for Australian liberties they were supplied with vile bullocks' livers, diseased with hydatids and fluke, which came from private abattoirs in this city. After putting something like twenty-five questions to Ministers, I learned that these abattoirs were owned by Mr. Angliss, a very wealthy man in our community;

and when I was threatened with an action if I dared to repeat outside what I said on the subject in this House, I made the statement from a public platform that if Mr. Angliss or his manager knew that the meat was diseased when it left the abattoirs, hanging at the first street lamp-post was too good for him. Subsequently, when I told Mr. Angliss what I had said, he agreed with me that hanging would be too good for a man who knowingly supplied such meat for human consumption. The fact that this meat was diseased was discovered, by a lucky accident. An officer of the Customs Department happened to be present on one occasion when it was being put on board ship, and promptly drew attention to it. I have evidence from soldiers that on some occasions they saw bubbles on the liver while it was being cooked in the ship's galley. Some of them buried the meat at sea with musical honours. Mr. Jensen, who was Minister for the Navy when the discovery was made, directed, to his lasting credit, that bullocks' livers should not in future be placed on board ship for use as food. That diseased meat was sent out on several occasions, and one wonders what happens to the people of this huge city, who have no supervision of meat supplies by an officer of the Federal Government. I had practically to tear the information from the present Minister for the Navy (Sir Joseph Cook), disclosing the name of the man from whose abattoirs these diseased livers had been supplied. I am puzzled to know why there has not been a further inquiry as to the reasons leading to the making of the contract for the supply of liver. It was alleged that the diseased meat came from the Melbourne City Abattoirs. That was a base lie. The Chairman of the Abattoirs Committee of the Melbourne City Council denied it, and proved clearly that bullocks' liver was never sent out of the City Abattoirs except as dogs' meat.

While I was held up in Western Australia during the influenza epidemic, the Government of that State took action to prevent the introduction of the disease from the eastern States. That action met with my full approbation. I do not believe that sufficient precautions were taken to prevent the spread of the disease. As a matter of fact, the outbreak in New Zealand was due to a vessel on which several cases had occurred,

and by which Sir Joseph Ward was a passenger from the Old Country, being allowed to go right up to the anchorage, instead of being placed in quarantine. Its passengers were permitted to go ashore without being examined. The responsibility for many of the deaths that took place in New Zealand as the result of the epidemic is to be laid at the door of those who permitted the vessel to go to the usual anchorage instead of being placed in quarantine. I congratulated the Government of Western Australia on the action they took.

Mr. PROWSE.—Might not the same thing occur under this proposed inspection system?

Dr. MALONEY.—No. The lesson taught the Commonwealth Government will not soon be forgotten. If I thought that the introduction of a serious disease into Victoria was to be prevented only by defying the Commonwealth law, I should certainly advise the State authorities to defy it.

Mr. ATKINSON.—There is no need to break the law in order to prevent the entry of a disease into a State. The States already have power in that regard.

Dr. MALONEY.—I agree with the honorable member, who has consistently and persistently brought this motion before successive Parliaments, and I hope that it will be carried.

Question resolved in the affirmative.

PERSONAL EXPLANATION.

SUPPLY OF YARN.

Dr. MALONEY.—I desire to make a personal explanation. Yesterday I asked the Minister representing the Minister for Defence a question in regard to the supply of yarn from the Commonwealth Wollen Mills to enable a branch of the Anzac tweed weaving industry to be established in Bendigo. It has been suggested to me that the wording of my question might convey the impression that I was asking the Government to supply yarn for the private enterprise of Messrs. Whitelock and Carter, of Bendigo, who, I said, were willing to employ at least five returned soldiers, and to find looms without any expense to the Government. I, therefore, desire to remove any misapprehension by stating that the firm of Messrs. Whitelock and Carter was willing to give something like £150 as a generous donation towards the

establishment of the Anzac hand-weaving industry in Bendigo by returned soldiers, without any connexion whatever with that firm.

AMENDMENT OF THE CONSTITUTION.

ELECTION OF CONSTITUTIONAL CONVENTION.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [4.40].—I move—

1. That, in the opinion of this House, it is desirable that as early as practicable a Constitutional Convention should be summoned for the purpose of considering the need, substance, and form of any amendment of section 51 of the Constitution, and that such Convention shall—

- (a) consist of ten (10) representatives of each State, elected on the existing Federal franchise, according to the principle of proportional representation;
- (b) hold meetings at such time and places as it may think fit;
- (c) submit within twelve months to the Governor-General the draft of any amendments adopted by such Convention.

2. That any such amendments so adopted shall be a proposed law for the alteration of the Constitution, and shall be dealt with in accordance with section 128 of the Constitution for passage by Parliament and submission to the electors.

3. That an Enabling Bill to give effect to the foregoing should be introduced to Parliament as early as practicable.

Since the time at my disposal is very short, I shall not deal at length with this question. I remind honorable members of the following rather ambiguous paragraph in the Governor-General's Speech at the opening of this Parliament:—

My advisers deeply regret the defeat of the referendum proposals recently before the people. They intend to introduce legislation to authorize the summoning of a Convention, representing the people and the Parliaments of the Commonwealth and the States, for the revision of the National Constitution.

Honorable members will recognise that the paragraph is capable of several interpretations. One of these is that the Government might propose a nominee Convention. I am convinced that the people of Australia will not agree to anything of the kind. It is also capable of having placed upon it the construction that the Government do not propose to provide for the equal representation of all the States. I have at times wondered why a small State should have in Parliament the same Senate representation as

that enjoyed by a larger State, with a much greater population, but a Convention called to frame a Constitution under which the people shall live should, in my opinion, be equally representative of all the States.

The Commonwealth Constitution has now been in operation for twenty years, and in many ways has proved an admirable instrument of government. I think we may safely say that it is the freest and best Constitution in the world. Time and experience, however, have naturally disclosed some weaknesses in it, and I think we should endeavour as early as possible to remove those weaknesses. That can best be done by a Convention elected by the people, which would practically frame a new Constitution, and render excellent service in this regard. I am strongly opposed to nominee Chambers and Conventions, and I believe the people would demand a voice in the election of any Convention designed to deal with the Constitution. A Convention chosen by the electors might not comprise all the best men for the work, but it would certainly be the most satisfactory from the point of view of the people of Australia. I am anxious to hear what the Government mean by the statement contained in the Governor-General's Speech; and, therefore, I shall not occupy much time in debating the motion. All doubts could be and should be removed by a simple statement from the Government, failing which I hope that a division will be taken upon the motion to-night. Before concluding, I should like to refer to what the Senate has proved to be in contrast to what it was intended to be. When the Constitution was framed, no man thought that the Senate would become a party House, which it is to-day, unfortunately.

MR. WEST.—It will be a one-party House after June next.

MR. AUSTIN CHAPMAN.—By the will of the people it is almost that now. The Constitution of the Senate will require great alteration in order to be satisfactory to the people. I think the Convention should also consider the drafting of a Constitution that will prevent a good deal of the present duplication of Commonwealth and State services, which is gross extravagance. The Prime Minister (Mr. Hughes) has advocated the removal of such anomalies;

but, unfortunately, he was not properly supported during the last election, or the referenda proposals might have been carried, and a very necessary reform effected in consequence. But the referenda proposals were not carried, and a convention is the only solution open to us. To-day we have duplicate electoral rolls and duplicate Taxation Departments. When we are preaching economy we ought to take definite steps to effect economy. People naturally object to paying income tax to both the Federal and State authorities. They say if they are to be robbed, they prefer to be robbed by one authority rather than by two. I do not say that the taxpayers are robbed; a man who can pay income tax is lucky, and the more he is required to pay the luckier he is. But the duplication of the Taxation Departments is an unnecessary burden and inconvenience to the people. How simple it would be to have a uniform electoral roll for Commonwealth and States, and one machine for the collection of taxation, the Commonwealth gathering the tax and handing over to the States their proportions. When such an arrangement was suggested, the States would not agree to hand the power of collection over to the Commonwealth. They pointed out that the Commonwealth collection of taxes is very costly. But they overlooked the fact that the Commonwealth Department collects, not only the income tax, but the entertainment, land, and probate taxes and other levies, which entail a good deal of administrative expense. The Commonwealth Taxation Department does the work well and economically, but there should not be the present duplication of services; the Commonwealth should collect for itself and for the States. The only way in which that can be arranged is by giving the Government additional powers. I am not agreeable to any roundabout method such as appealing to the States to make an agreement with the Commonwealth. Would it not be absurd for the Prime Minister of the Commonwealth to be required to approach the Premiers of the States and ask them to agree to give the Commonwealth power to carry out this reform? One could speak on this motion for a week, but I prefer that honorable members should not debate it at length, but should say straight out whether they

are for or against it. I hope the Prime Minister will assure the House that the Government do not intend a nominee convention. But they have referred to the representation of State Parliaments, and I say that no man will have a right to sit in the convention unless he has been chosen by the people. Proportional representation has been suggested, and I believe that if that system were adopted it would produce a convention of business men. Those men of commerce who have said that they cannot afford to enter Parliament are beginning to feel that they cannot afford to stay out, because Parliament itself is developing into a huge business, the employees of which are very badly paid. Men holding responsible positions in connexion with this Parliament are not being paid as much as are many men in tin-pot commercial concerns. This is my thirtieth year of parliamentary life. I have contested thirteen elections, and I fail to appreciate the statement by the honorable member for Angas (Mr. Gabb) that there is a great deal of value to be placed upon the social prestige of a parliamentary position. I have never discovered any such advantage; in fact, I am very prone at times to keep my member's pass from view. It is absurd to put members of Parliament on the footing of employees in occupations with no responsibility. After all, the people have a habit of accepting a man at his own price, and if he is satisfied to receive a small payment, the people will readily agree that that is all he is worth. The present salaries are not sufficient to enable men to live comfortably, and certainly are not high enough to attract many good men into Parliament. I hope that the Convention will reopen the whole question, and that the people will have an opportunity of deciding whether or not the Commonwealth is to be paramount, whether the Commonwealth Service is to be the blue riband of Australia, in which officers are properly remunerated, or whether we shall continue to pay two sets of officials out of the one pocket to do the same work. Taxation falls most heavily upon the primary producers. We members of Parliament are simply the channel through which taxation is paid. We toil not, neither do we spin.

MR. MAKIN.—What about the working people?

MR. AUSTIN CHAPMAN.—Are not they primary producers? It is not the men who mouth Labour and arrogate to themselves the sole patent rights to represent Labour who do most for the benefit of the working class. There are in this Parliament men who, although not classed "Labour" by honorable members opposite, have done more for labour in one year than the honorable member for Hindmarsh (Mr. Makin) will do in a lifetime. However, I have no desire to cross swords with the honorable member or to prolong this debate. I hope that a satisfactory statement will be forthcoming from the Government, or, alternatively, that the motion will be carried.

DR. MALONEY.—I formally second the motion.

MR. HUGHES (Bendigo—Prime Minister and Attorney-General) [4.55].—I take this opportunity of saying a few words upon a matter of very great importance. I shall be very brief, and shall not attempt to cover more than a fraction of the question. The necessity for an amendment of the Constitution has been recognised in a very general way in this House for many years. There have been differences of opinion as to how far the amendment should go, but that some amendment is necessary has been generally accepted by members on both sides. I say nothing by way of regret, or even comment, on the rejection of the Referenda proposals by the people. My faith in the people is a hardy annual, and survives the blighting frosts of rejection; with the spring it shoots again, restoring my confidence that in the end they will follow the right road. For the fourth time, I think, they have rejected proposals for the amendment of the Constitution. But even if they had accepted them, still not all would have been done, or could have been done, that needs to be done. Naturally, twenty years have produced great changes, and although we postulate that those who drafted the Constitution were men of the finest water, that their intelligence was profound, and their knowledge extensive, yet no one could pry far enough into the future to be able to say what sort of instrument of government would actually meet the requirements of this young and ever-progressing Commonwealth. They did well, they built wisely and on sure foundations. After all, the test of an institution is its wearing quality, and the

Constitution exists, after twenty years, the most progressive in Australian history. The Constitution requires amendment. What amendment is required is a question that is easier asked than answered. Some will say that it requires amendment here, others that it requires amendment there. The honorable member for Eden-Monaro (Mr. Austin Chapman) mentioned some glaring instances which find an echo in every man's heart—anomalies such as dual taxation and the like. But no man is able to say that an amendment here and another amendment there will of themselves be sufficient. The fact is that the time has come when the Constitution must be remoulded by men who appreciate to the full the changes which twenty years have wrought, who see the defects of the present Constitution, and who realize, too, its many excellences, for it has many. And this can best be done by a Convention. In His Excellency's Speech the Government set out their intention of introducing a measure for that purpose before the close of this session, and I take advantage of this opportunity to remind honorable members that the Government intend to carry out that policy.

I shall not attempt now to say how far the Constitution needs amendment, though for many years I have advocated certain most important amendments. When I first introduced into this Chamber a measure for the submission of constitutional amendments to the people, I stated that the American Constitution, on which ours was based, was so rigid that it had not been amended in any important particular, except as the result of the bloodiest war that the world had ever known. That was, of course, before the recent great war. Since then things have changed, and even that most rigid of instruments of government has proved an ineffectual bar to progress. Had any man predicted a few years ago that prohibition would be carried in America, he would have been laughed to scorn, because to carry it involved the concurrence of two-thirds of the States. Prohibition, however, has now been carried there, and other amendments of radical importance have been made. Still, to our way of thinking, the American Constitution is not so well suited for the government of a free people as are the Con-

stitutions of Great Britain, of Canada, South Africa, or of New Zealand. Had they the opportunity to express themselves on the subject, the people of this country would say that their will must be able to find expression without let or hindrance through their chosen representatives in the Federal Legislature. I agree with what has been said by my honorable friend. A house cannot contain seven masters; though, in saying that, I do not for a moment support Unification. To-day, when asked what power the Commonwealth had to prevent profiteering, I said that it had none, and it will be remembered that a Deakin Government sought to pass a Federal Companies Act, but found that this Parliament has not power to do so. Although nine-tenths of the commerce and enterprise of the world is directed by companies, this Parliament cannot pass a law regulating their actions, and, consequently, the greater part of the capital of the country, and of the power behind that capital, is beyond the scope of our legislation.

Constitutional amendment is not a party matter. Every member of this Legislature should be jealous of its honour and dignity, and it is a reflection upon the good sense of the people that legislation in regard to matters vital to their welfare should be beyond the power of this Parliament. The amendment of our present Constitution is called for, and, in my opinion, a Convention is most likely to frame a new Constitution acceptable to the people. Unless amendments acceptable to the people are proposed, nothing can come of any attempt at amendment. The people have already on several occasions declined to indorse the proposed amendments. Therefore they must be asked to elect delegates to a Convention, and subsequently must be invited to express their opinion upon the work of the Convention. There is a great difference of opinion as to how the Constitution should be amended. Some would go only so far, others much further, and others, again, not so far; but all agree that amendment is necessary. This being so, the Government will give the House an opportunity to discuss a proposal for the creation of a Convention to consider the amendment of the Constitution. There will be a fair and full opportunity provided for the free and frank expression

of opinion on this subject. The Government has its own views, but it will not force them down the throats of honorable members. We desire a Convention that will be satisfactory to the community, because the work of the Convention must be acceptable to the people. I hope that the measure to be introduced will be generally supported. The time given to the discussion now before us will not be wasted if a debate ensues which will let the Government know that the House is anxious to discuss these matters.

MR. TUDOR (Yarra) [5.7].—I do not know the meaning of the speech just delivered by the Prime Minister. All I gather from it is that at some future date he will bring down a Bill providing for the election of a Convention. Is it to be brought down this session?

MR. HUGHES.—Yes.

MR. TUDOR.—This may be a very long session. We have been told that although the Government has its own views, members will be able to mould the Bill as they desire. A majority can always do that. We are indebted to the honorable member for Eden-Monaro for the present opportunity to discuss this matter. In my opinion, Australia has outgrown its Constitution, though the amendments which were submitted by the Labour party in 1911 and 1913, when Mr. Hughes was a member of it, were not accepted. Now there are supporting the right honorable gentleman some who were in favour of those amendments and others who strongly opposed them. The honorable member for Parramatta (Sir Joseph Cook) led the Opposition of the day out of the chamber on one occasion by way of protest, but had to come back next day to continue the business of Parliament. The Constitution needs amending, however. Mr. Groom, when Attorney-General in a Deakin Government, supplied a memorandum at the request of South African authorities advising the people of South Africa not to adopt, in framing their Constitution, the principles upon which we have based ours.

SIR JOSEPH COOK.—But they voted against the extreme proposal of the then Labour party.

MR. TUDOR.—Because they were the proposals of the Labour party. The pre-

sent Chief Justice of Victoria, then Mr. Irvine, said once in this House that a proposed amendment of the Constitution was necessary, and that he would have voted for it were it not that the Labour party would have had the working of it. I hope that on this occasion we shall prove bigger-minded than he was. The Premier of Western Australia said only the other day in regard to the creation of a Convention to consider the amendment of the Constitution that the representation of the States would have to be exactly on the same lines as it was in the original Convention. At the present time the Constitution cannot be altered unless a majority of the electors in a majority of the States agree to the proposed alteration.

SIR JOSEPH COOK.—You were never game to propose an alteration of that provision.

MR. TUDOR.—Some of the members behind the honorable member would abolish the present Constitution and substitute Unification. The people, however, have agreed to Federation, and the Constitution can be amended only in the way I have stated. Speaking as a citizen, and not as a party man, I say that the sooner the Government bring forward their Bill for the creation of the proposed Convention the better. A Convention could not be elected in a short space of time. Candidates for election would have to travel throughout the land, and as probably members of this Parliament would secure election, it would create difficulties to have the Convention sitting concurrently with a session of this Parliament. I think all are agreed that something must be done for the amendment of the Constitution, and the sooner the matter is tackled the better, whether by this House, or by a Convention. The honorable member for Eden-Monaro has served Australia well by bringing forward a motion which allows the matter to be discussed, and the opinions of honorable members to be obtained. Any amended Constitution must be submitted to the people for acceptance. Until they have ratified any alterations that may be proposed, the present Constitution will stand. Therefore the consideration of the whole matter is necessary and urgent work for us in the near future.

Dr. EARLE PAGE (Cowper) [5.15].—I should like to congratulate the honorable member for Eden-Monaro (Mr. Chapman) upon bringing forward this motion so early in the session. As I said on a previous occasion, I consider this the most important proposal that could come before Parliament at the present time. I was very disappointed, however, by the speech of the Prime Minister (Mr. Hughes), inasmuch as he indicated no actual time or date when the Bill to create the Convention was likely to come before the House. He said that for many years the necessity for some amendment of the Constitution had been widely recognised here; but during the last six years, at any rate, outside, and even in the State Houses, the necessity for amendment has been strongly felt. The Constitution, as it stands, is admirable in many respects. It has faults, but they are the faults of that compromise which was inevitable twenty years ago, owing to the intense feeling of State jealousies, and the ambitions of State politicians of the time. Owing to the absence of Queensland from the final deliberations of the Federal Convention, there was inserted that section which provides for the absolute territorial integrity of the States, and this is responsible for the fact that at the present time small and gradual amendments do not "fill the bill," and a sweeping change is inevitable. The reason is that one or two States preponderate so largely that alterations, repeatedly brought forward, are not possible. This proposal for a Convention is overdue; it should have been before, not this Parliament, but the Parliament which sat from 1917 to 1920. Although we were at war the business before Parliament was not of such importance as to preclude the discussion of an alteration of the Constitution, without which reconstruction after the war was absolutely impossible. During the war, England, which had to finance the whole of it—finance all the Allies, police the seas, provide 6,000,000 men, and magnify its fleets enormously—extended the electoral franchise, which embraced an additional 8,000,000 voters—probably the most sweeping change in the history of England. It seems to me that, considering the events of the first

few months of the war, the Federal Parliament should have taken steps in the last Parliament to make preparations for the reconstruction which must follow the chaos the Germans have created in the world.

What happened when the war broke out? Within three months of the beginning of hostilities, Mr. Holman, the Premier of New South Wales, commandeered all the wheat in that State, because there was a scarcity in other Australian States. Though Victorians, South Australians, and Queenslanders were fighting side by side with men of New South Wales on the other side of the world, the New South Wales Government decided to commandeer the wheat in this way. The Prime Minister (Mr. Hughes) took the matter to the High Court, acting as a true Australian should, but was defeated, thus proving conclusively that the Constitution was absolutely unworkable under any strain. It would work creakily in peace time, but in war time it was absolutely unable to permit of any progress; and within a few months we had the incident referred to this afternoon by the honorable member for Wide Bay (Mr. Corser). The whole of the discussion on the motion previously before the House should have taken place on the motion we are now considering; but all would have been unnecessary if we had had a Constitution under which the Government could act in the way a national Government should be able to act. Within six months of the beginning of the war we found Queensland placing an embargo on cattle that were sent from one State to the next, those sent to New South Wales having to pay a deposit of 10s. per head as a guarantee that they would be returned. Later on in the same year, a man who had cattle at Toowoomba and land at Tamworth, was unable to get lucerne over the border for his starving stock, because New South Wales asserted "State rights." Such cases surely showed the immediate necessity for some action; but nothing at all was done. I think that Parliament met for one month during one of the war years.

Mr. GROOM.—The war years were practically a continuous session.

Dr. EARLE PAGE.—I speak under correction. In any case, the urgent matter was reconstruction, and the provision of a basis on which the new world that our men fought and died for was to be built. But when it is proposed that industries shall be established, we find that this cannot be done, because the Constitution does not provide the powers. The Government are quite willing to establish industries, but the State Governments refuse to develop power because it may benefit an adjoining State. These are matters which surely should have been considered. In England, France, Germany, the United States of America, and Canada during the war we found Ministries of reconstruction actively making ready for the beginning of the change; but now, practically eighteen months after the ending of the war, we have still to consider the question whether we are to have a Convention, and what its result is likely to be. There may very easily be a barren result if we do not have the election of the delegates in the proper way. Various amendments proposed in the Constitution have been defeated, but by very few votes in the aggregate. In some States there were overwhelming majorities against the amendments, and this warped the mind of Australia looking at the matter, because those majorities were thought to be more overwhelming than they were. But a revised Constitution coming from a Convention will have a much more favorable chance of being accepted.

In instituting the Convention, it will be necessary to have a campaign of five or six weeks in which the whole constitutional question can be debated on platform after platform throughout the country. If we have a Convention thoroughly representative of the various interests throughout the country, and the debates are fully reported—if points of difference and divergence of opinion are thoroughly discussed in the press—I venture to say that the public mind will be thoroughly educated, and will be able to give a proper decision as to the merits or demerits of the Constitution proposed. But it seems to me—and I insist on this point again—that there should be some provision for proper representation of the rural interests in the Convention. The honorable member for Eden-Monaro (Mr.

Austin Chapman), in his motion, provides for proportional representation; and that is absolutely necessary in order to secure proper representation in the Convention. But it will be necessary, especially if the big party machines get to work, to go further in order to secure proper representation. It is agreed on all sides that what we need in the Convention are not simply politicians—not simply men who have made a life study of politics. We also require big business men who have made big business a life study, and men who have made a life study of rural pursuits, who cannot afford, or may have no taste for, politics; but we shall not get these men unless we make it possible for them to be returned without the expenditure of too much time and money.

Mr. WEST.—Would you not leave it to the people to choose the representatives?

Dr. EARLE PAGE.—Yes, and to that end I repeat the suggestion I made before, that each State should be divided for electoral purposes into a certain number of electorates. If Queensland or New South Wales were chosen as one electorate to return ten representatives, it would require practically a fortune for an unknown man, however sound his ideas might be, to make himself known and place his views before the people. But we have an electoral basis of five constituencies in the two States with small populations—Tasmania and Western Australia—each returning five Federal members. Queensland returns ten members. Now it seems to me that if the division into five is made in each State, and proportional representation is adopted for the Convention—it will be, I take it, elective throughout, and not nominee in any sense—we would then have returned from these smaller areas men who, although without political desires of any sort or taste for political life, may have very sound political opinions, and be willing to devote, perhaps, a year of their time to the furtherance of the constitutional project. Unless this step is taken we shall not have the services of such men.

I should like to briefly outline the divisions that could be made in the bigger States. As regards Tasmania and Western Australia, they are already marked out by the Federal electorates. In

Queensland we have in the north Herbert and Kennedy making one electoral unit. The electors of these districts have declared time after time for self-government, and both of them have definite community of interest. Then we come to Capricornia and Maranoa. The honorable member for West Sydney (Mr. Ryan), who at one time represented Maranoa in the State Parliament, carried a motion in the Queensland Parliament in favour of the subdivision of Queensland into three States, and the honorable member for Capricornia (Mr. Higgs) has carried a similar motion in the Federal Parliament, and I take it that these electorates are representative of very similar views. This would be a second electoral unit. Then, we have six other electorates in southern Queensland—two metropolitan and four farming—making three more electoral units. In New South Wales there are five electorates in the north, Darling, Gwydir, New England, Richmond, and Cowper, which have very definite identity of interests. I am satisfied that if they were grouped together there would be no difficulty in securing the election of proper representatives.

Mr. BOWDEN.—What community of interest is there between Broken Hill and Richmond River?

Dr. EARLE PAGE.—If the honorable member had lived in the northern districts, as I have, he would know that there is the very closest community of interest between the coast and the inland districts. Every man who can do so during drought sends his sheep and cattle to the coast, but does so only with great difficulty, on account of the scandalous lack of railway facilities. Any one acquainted with northern New South Wales must know how closely related is the north coast district commercially with the tableland behind, and with the great western plains at the back of it.

Returning to the unit grouping of the electorates according to community of interest, the divisions of Hunter, Newcastle, Robertson, Calare, and Macquarie would form one electoral group; while, in the south, Eden-Monaro, Hume, Riverina, Werriwa, and Illawarra would form another. Then there would be the twelve metropolitan and sub-metropolitan electorates, which would provide between them two units. Similar divisions, on almost identical lines, could be cast in

respect of Victoria. For example, there is the community of interest which would draw together the electorates of Wimmera, Wannon, Echuca, Grampians, and Corangamite. It appears to me that unless grouping into units is carried out in this way there will not be adequate representation. At the first Federal Convention, when New South Wales sent ten delegates, Sir John See was placed twelfth on the list, largely because he was a country man.

Mr. WEST.—No, but because there were better men ahead of him.

Dr. EARLE PAGE.—The fact remains that of the ten there were only two country representatives—namely, Sir William Lyne and Mr. Brunner. I will not say that the country representatives in the New South Wales Parliament were a poorer lot than the city men.

Mr. WEST.—Sir John See was a Protectionist. That is one reason why he was not chosen.

Dr. EARLE PAGE.—So am I for that matter, but this House should determine a basis for the *personnel* of the Convention. It should not be left to any State Legislature to decide how that State should be represented. I believe in the principle laid down by the honorable member for Eden-Monaro (Mr. Austin Chapman)—namely, that there should be in the Convention equal representation of every State, as the point whether the territorial integrity of the States shall be preserved must be discussed. It is only fair that each State, as an integral part of the Commonwealth, should secure full representation, and thus be in a position to propound its views in the fairest possible manner. We should adhere to the principle of equal State representation, and provide for the return of, say, ten members on behalf of each.

Mr. RODGERS (Wannon) [5.34].—After twenty years' experience of the first Australian Constitution, I think that reasonable time has been afforded during which Australia should have discovered any defects therein. The knowledge secured by four campaigns for the proposed amendment of the Constitution should also have had a clarifying effect. I can support generally, though not in some particulars, the proposition of the honorable member for Eden-Monaro. For the first time in the history of Federation this motion, if it

were put into effect, would afford the people an opportunity to amend or review the Constitution from a non-party aspect. The unfortunate feature of the proposals hitherto made for the amendment of the Constitution is that they have emanated from party rooms. Party fights have been fought, so that the national aspect has been lost sight of. One reason why I support the motion is that the Convention would bring about, I trust, a great fundamental change in the Constitution of the Commonwealth. I hold that the division of Australia into six huge unwieldy States is not only for electoral purposes, but, having regard also to the development of the continent, altogether out of date. We have to-day a few glorified ports, dotted around the coastline, and holding domination over the national, political, economic, and industrial well-being of the community. In the United States of America there are forty-eight States. This division of the country not only affords a far more complete community of interests than could otherwise be the case, but it brings about the fullest possible development of every industry and facility in the country. If I may be permitted to cite an individual point of view, I have been for the past twelve or fifteen years battling for greater recognition for the port of Portland. Yet I find myself to-day in the ridiculous position of having to come to the port of Port Phillip to try and get something for the port of Portland. Of course, nothing can be done. There is, from the seaboard upward to the Murray, above Portland, the greatest and best, perhaps, of Australia's wheat areas, which would provide enormous tonnage for despatch from Portland. However, the railway lines have been constructed so that all roads lead to Rome; and Rome, in this instance, is Port Phillip.

Sir JOSEPH COOK.—It would be almost a pity to spoil the sylvan beauty of that spot.

Mr. RODGERS. — That does not greatly alarm me; but I would inform the Minister for the Navy that one of his colleagues, the present Minister for Home and Territories (Mr. Poynton) has committed the Commonwealth Government to a change of policy, so far as Portland is concerned. Mr. Poynton paid Portland a visit, along with a State Minister and the heads of various State Departments,

some time ago, and he undertook to ship from that port. I hope the Minister for the Navy will not flippantly treat the situation in which he thus finds himself.

Sir JOSEPH COOK.—I want the honorable member to understand that I have the greatest possible admiration for Portland.

Mr. RODGERS.—I do not want the Minister to have admiration for it merely as a beauty spot, in which he can spend a calm and undisturbed holiday. I want him to realize that Portland is a harbor in which he could safely manœuvre the whole of the British Fleet. It is a deep-water port, probably the finest in the Commonwealth.

Mr. GROOM.—Say, "equal to the finest in the Commonwealth," and you will tread on nobody's toes.

Mr. RODGERS.—I recognise that my statement is apt to stir up those honorable members who represent all the petty ports along the coastline of the Commonwealth. But, so far as the motion is concerned, I trust that the calling together of a convention will give Australia the opportunity to consider whether, geographically, the whole Continent ought not to be cut up into workable divisions. It is of no use on an occasion such as this to devote time to a dissertation upon the tremendous advantages which would follow. I invite the attention of honorable members to the position of New Zealand to-day, with her five States. I am thoroughly in accord with the remarks of the honorable member for Cowper (Dr. Earle Page).

Mr. BLAKELEY (Darling) [5.42].—Because of the wanton waste in the administration of this country generally, and in its various departments in particular, I have come to the conclusion that Unification is the only method by which Australia can be governed. There will be a good deal of argument concerning whether or not we should embrace Unification; but I suppose there is no honorable member present who would not be prepared to go one or two steps in that direction, first, by conceding greater powers to the Commonwealth in the matter of control of trade and commerce, and then in bringing about the abolition of duplicate Departments. The Prime Minister made a delightfully vague speech this afternoon—one which was

just as vague and delightful as the Governor-General's Speech. Honorable members, of course, do not expect anything but delightfully vague generalities from the latter. However, I recall certain definite promises made on behalf of the Government during the recent elections. The Prime Minister said there would be called together a Convention irrespective of whether the Constitution Referenda were carried or not. It was announced that if the people voted "Yes," the Convention must meet by December of this year; but no date was fixed for the calling of the Convention if a "No" vote were recorded. One promise definitely made by the Prime Minister was that the delegates would be elected upon the adult franchise. The silence of the Prime Minister upon the question generally, since the elections, is disquieting. He gave us nothing this afternoon in the way of a definite pronouncement of policy.

Sir JOSEPH COOK.—What about the honorable member's party? The honorable member is an advocate of Unification, but his Leader is not, as he has just told us.

Mr. BLAKELEY.—I believe that the right honorable gentleman has misunderstood the Leader of the Opposition (Mr. Tudor). I listened to his remarks very attentively, and I do not think he said what the right honorable gentleman makes out he said. Apparently the Government are not ready with their policy with regard to this question. If they were, it would undoubtedly have been given consideration in Cabinet, and the Prime Minister (Mr. Hughes) would know the minds of Ministers upon the subject. Evidently he does not, and so he will not give us the benefit of his personal views lest they may not fit in with those of the Cabinet. The matter is urgent, because within a couple of weeks we shall adjourn for a month or two months, and when we meet again in July or August the session may not extend beyond September or October. Also the business put forward, apart from this question, is such as will not permit of the whole of it being dealt with by the end of the year. If the Government are in earnest about this matter or about carrying out their campaign pledges, they should most certainly take immediate steps to declare their policy upon it.

The honorable member who has submitted the motion proposes that the members of the Convention should be elected by proportional representation. I was an ardent advocate of proportional representation—probably as ardent as the honorable member for Grampians, who has written a very fine *brochure* on the subject—but because of my experience of the hybrid and grotesque travesty which was perpetrated by this Government in connexion with the last Senate election, and the horrible example of how not to elect a Parliament we have had in connexion with the recent New South Wales State elections, I found cause to alter my views upon the subject. Most astounding results were achieved by the system adopted in New South Wales. The basis upon which all Electoral Acts should be founded is that they should allow the elector a channel whereby he may express his thoughts or desires; but in New South Wales we find that not more than a little over 50 per cent. of the people availed themselves of the franchise at the recent election, as against 65 per cent., 70 per cent., and 72 per cent. polls at previous elections; and in addressing meetings throughout the State I found that the new system was not understood, and that for that reason electors were reluctant to go to the polling booth to do something which they did not feel sure they were doing rightly.

Mr. BOWDEN.—Not all of the refraining from voting can be ascribed to the system of voting.

Mr. BLAKELEY.—No. The fact that the percentage of voters on previous occasions did not exceed from 65 per cent. to 72 per cent. shows clearly that, no matter what system is adopted, it is impossible to get 100 per cent., or even 90 per cent., of electors to record their votes. Nevertheless, I maintain that great care should always be taken to give the utmost facility to the electors to express their opinions, and that anything which is likely to confuse the mind of a voter is opposed to the best interests of the country. A Parliament has recently been constituted in New South Wales by a little over half the electors of the State, and proportional representation has not achieved that which it should have achieved. I sincerely trust that when the

proposed Federal Convention is constituted it will not be chosen on anything approaching the Senate system as applied at the last Federal elections or the proportional system which created such amazing and wonderful results in New South Wales, and caused so much confusion in the minds of the electors.

Mr. BELL.—Apply the Tasmanian system.

Mr. BLAKELEY.—I am just as much opposed to the Tasmanian system as I am to the New South Wales system. The only difference between the two is in the matter of regulations. I venture to say that in New South Wales there will be 300 candidates for the ten seats allotted to the State in the proposed Convention. On the most conservative estimate there will be at least ten candidates for each seat, which would mean 100 candidates, but personally I think the number will be 300. How can we expect an elector to mark a ballot-paper with the names of 300 candidates on it? I do not propose to say anything further at this stage, except to urge upon the Government the absolute necessity for bringing forward some definite proposal. No one knows just what Ministers intend to do with regard to the Convention. They seem to have gone to sleep on the matter. This afternoon the Prime Minister was absolutely devoid of any concrete proposal or information of use to the House. The sooner the subject is dealt with so much the better it will be for Australia.

Mr. JOWETT (Grampians) [5.57].—The House and the people of Australia must be indebted to the honorable member for Eden-Monaro (Mr. Austin Chapman) for having brought this subject forward this afternoon, and having evoked such an interesting and valuable discussion. I wish to emphasize the great necessity for having the proposed Convention elected on the basis of proportional representation. I am convinced by the result of the referenda that have been held in the past history of the Commonwealth that unless the Convention be appointed in a manner which will give confidence to the people it is very unlikely that its recommendations, whatever they may be, will be supported by the people at a referendum. I do not know what is in the minds of the Government in re-

gard to the matter, but I am very glad the opportunity has been afforded to honorable members to express their views upon the subject. If the Government have the slightest intention of creating a Convention for the purpose of recommending alterations to the Constitution by means of a nominee system, it will probably be a failure and barren of results. The great cause of the lack of confidence shown by the people of Australia in proposed alterations submitted to referenda in the past has been the fact that each proposal has emanated from a party House and as the result of the party system.

The calling together of a Convention to decide upon and recommend to the people of Australia alterations in the Constitution of the Commonwealth Parliament and the Constitutions of State Parliaments, will probably be an event of the utmost importance in the creation and amendment of the Constitutions of the countries of the world. It has not been possible to make any important alteration in our Constitution for the last twenty years, although every one must have admitted, at one time or another, that certain alterations are very badly needed. The fundamental requisite of the proposed Convention is that it shall command the absolute confidence of the people, and there is no means by which that confidence can be gained except by having the members of it elected directly by the people themselves. As certainly there can be no thought of having a nominee Convention, the question arises as to the best method of conducting an election of its members. Much has been said in favour of and against the system of proportional voting. I had very great pleasure in listening to the remarks of the honorable member for Darling (Mr. Blakeley), who has indicated that, as the result of the recent elections in New South Wales, he is not now so much in favour of proportional representation as he was when he did me the honour of reading a little pamphlet which I wrote on the subject a few years ago; but I do not think he has taken into full consideration one exceedingly bad feature of the system adopted in New South Wales, which, by regulation, insisted that every elector at the polling booth should mark the order of his preference for every candidate whose name appeared on the ballot-paper.

Sir JOSEPH COOK.—I voted for twenty people.

Mr. JOWETT.—Why did the right honorable gentleman do so? Had he any desire to vote for twenty people?

Mr. JOSEPH COOK.—I did so merely because I could not vote for twenty-five people.

Mr. JOWETT.—If, after having voted for twenty people, the appetite of the right honorable gentleman was still unexhausted, we may regard him somewhat as a glutton in the direction of voting; but even if he were anxious to vote for twenty-five candidates, I feel sure that the great bulk of the electors of New South Wales had no desire to indicate their order of preference for any of the candidates except those about whom they knew something. The New South Wales system, although perfect, perhaps, in other respects, was exceedingly defective, because in order to obtain the benefits of proportional representation it was considered necessary to compel an elector to vote for a greater number of candidates than he desired. The small percentage of voters who went to the poll at that election was probably due to the fact that many were appalled at the prospect of having to vote in their order of preference for no less than twenty candidates.

Sir JOSEPH COOK.—I voted over here, and it took me quite a long time to fill in my paper.

Mr. JOWETT. — Because the right honorable member desired to indicate his order of preference for twenty or twenty-five candidates. The regulation requiring electors to vote for the full number of candidates in their order of preference was most absurd. It is no part of the proportional representation system that an elector shall be compelled to vote for one candidate more than he desires.

Mr. MAHONY.—The honorable member voted against that principle in this chamber.

Mr. JOWETT.—I do not think so, and do not remember the circumstances. Any argument against proportional representation founded on the results of the recent election in New South Wales must absolutely fall to the ground. If there were confusion in the voting it was caused by the absurd requirement that an elector

should vote in the order of his preference for a larger number of candidates than he desired to do. The fact that only 50 per cent. of the voters went to the poll might have been due to fear of confusion on the part of many, or it may be that a large number of the electors were disgusted with both parties, or disapproved of all the candidates offering. Many reasons might be advanced for the failure of a larger number of electors to vote. I wish to emphasize the point that if the next Convention is to be a success, if its recommendations are to be such as will meet with the approval of the majority of the people, it is absolutely necessary that every member of it should be directly elected by the people.

Mr. HECTOR LAMOND.—On the basis of one vote one value?

Mr. JOWETT.—No, I do not approve of the application of that principle in this instance. The suggestion is opposed to the Constitution of the Commonwealth. There should be an equal number of delegates from each State, and in each State the delegates should be elected by the method of proportional representation, since it affords the only means by which we can have a Convention adequately representing the matured opinions of the people, and secure recommendations that are likely to receive the well-considered support of the electors of Australia.

Mr. BOWDEN (Nepean) [6.5].—There can be no doubt that, as an honorable member of the Opposition interjected a few moments ago, the principle of equal representation for the States is undemocratic; but, having regard to the Constitution of the Federation at the present time, we could not hope to secure a Convention that would be fruitful of good results if any other system were adopted. We must have regard to the practical rather than the theoretical. If we could have an ideal state of affairs, there is no doubt we would have a Convention elected on the basis of one vote one value; but when we remember that any proposed amendment of the Constitution must be accepted by a majority of the States—that we must carry four States out of six in order to secure a majority—it seems to me that our only hope of carrying an amended Constitution, framed by a Convention such as is suggested, is to elect that Convention on the basis of equal

representation of the States. That was the system adopted in connexion with the first Federal Convention.

Mr. WEST.—I think that, under the Constitution, we would have to elect the Convention upon that basis.

Mr. BOWDEN.—No; the honorable member is overlooking the fact that the Convention would only make recommendations, and that those recommendations have to be adopted by the Parliament, and submitted to the people for ratification. Proposed amendments of the Constitution would have a much better chance of ratification if framed by a Convention equally representative of all the States. If the Convention were constituted on the basis of one vote one value, the smaller States would consider that they were being overcrowded by the larger States of New South Wales and Victoria. I have always thought that a wrong system was adopted in framing the original Constitution. It has to be recognised that it was a compromise Constitution. With the exception of that of Canada, it was the only Federal Constitution framed under peace conditions. There was no outside compelling force such as the force of war to bring it about. We deliberately framed our Constitution on the basis of that of the United States rather than that of Canada. Under the United States Constitution certain distinct matters of legislation were taken from the States and handed over to the Federal Government, whereas under the Canadian form certain definite powers of legislation were, speaking broadly, reserved to the Provinces, and all other powers of legislation were handed over to the Dominion Parliament. Thus the Dominion Parliament obtained much greater power than the Commonwealth Parliament has.

It was suggested in the Convention that the Canadian system should be adopted, but because of the Inter-State jealousies which existed at that time the proposal was rejected. A good deal of Australian national sentiment, however, has since been cultivated. We have almost another generation of voters, and few of those who were members of the first Federal Convention are still with us. In the twenty years or more that have elapsed since the first Convention there have been not only increases of

population, but a very marked development of Australian sentiment, which should tend towards increased powers being granted to the Commonwealth as against an increase in the powers of the States. Such sentiment has been materially strengthened and broadened by the recent war, when men from all the States went together into the field of battle, not as New South Welshmen, Victorians, or Queenslanders, but as one great united Australian army. I think we can trust the people of Australia to give to the Parliament of the Commonwealth more power than it has at the present time. How far the people are prepared to go we do not know, because the tragedy of the constitutional amendments to which we have asked the people to agree at various times has been that they have been fought on party lines. How this is to be avoided I do not know. A Convention would, I hope, lift the question out of the arena of party politics and put it on a broad national platform, upon which a Constitution more in consonance with the present requirements of Australia could be framed.

We know, as I have said, that the present Constitution was to some extent a matter of compromise. There were three great questions in respect of which the Convention itself could not agree. I am referring now, not to the Braddon Blot—to the financial question which the Convention muddled and could never determine—but to the power to legislate with respect to trade and commerce, industrial disputes, and combines and monopolies. Throughout the proceedings of the Convention certain parties were in direct antagonism on the question as to whether the Commonwealth or the States should have power to legislate in respect to these matters. Instead of determining either that the trade and commerce power should remain with the States or be handed over to the Commonwealth, the Convention arrived at the compromise that trade and commerce within each State should be controlled by the States, and that Inter-State trade and commerce should be controlled by the Federal Parliament. That decision was arrived at with the full knowledge that these very powers were the most fruitful source of litigation and friction between the States and the Federal authorities that had ever arisen in the United States.

Our Constitution does make an attempt to overcome the difficulty experienced in America in regard to the liquor traffic. An American State, even though it had gone "dry," could not prohibit the importation of alcohol if it was contained in sealed packets without being guilty of an interference with Inter-State trade and commerce. The framers of the Australian Constitution guarded against that difficulty by providing, in effect, that if prohibition was adopted by any State, it should be effective, notwithstanding that the Constitution insists upon freedom of Inter-State trade. In no other respects was any safeguard provided, and therefore we have experienced in Australia the difficulty that has troubled America from the birth of the Union. We had similar difficulties in regard to the powers of the Commonwealth in industrial matters and in relation to combines and monopolies. Reference has been made already to the fact that this Parliament cannot even pass a law to deal with companies. A different company law operates in each State. In Victoria it is a fair and modern Act, but New South Wales has the rottenest company law in Australia. In that respect the State is as much behind the times as it was until recently in regard to the conveyancing laws. Yet if there is one thing in the wide world in regard to which there ought to be uniformity throughout the Commonwealth, it is the laws that govern companies.

Mr. JOWETT.—And marriage and divorce.

Mr. BOWDEN.—The Commonwealth has power to make laws in regard to marriage and divorce, but it is afraid to tackle the subject. There are other minor defects in the Constitution, and the time has arrived when an attempt must be made to evolve a more satisfactory instrument of government. The will of the people ought to count, and it should not be defeated merely because this Parliament has not the constitutional power to enact laws in reference to certain matters. So far as New South Wales is concerned, we could not have struck a more disadvantageous time for the election of a Convention. The people are sick and tired of elections. There have been during the last few years the Federal

elections, the referenda, the conscription campaigns, the triennial local government elections, and recently the election of the State Parliament, and if we desire to get the calm and considered judgment of the people of New South Wales on this important matter, it would be unwise to submit the issue to them this year. If we do, there will be an even smaller vote than was recorded in connexion with the last State elections.

Mr. FENTON (Maribyrnong) [6.22].

—It appears to me that this motion merely proposes to create something that will mean further delay and expense to the Commonwealth. There is a short and right way of obtaining direct from the people the powers that we require. Is not this Parliament competent to place a certain proposition before the people without incurring the expense of a Convention? I maintain that it is, and if we declare otherwise, we display our incompetence to carry out the work for which we were elected. I believe it is the desire of members on both sides, and of the people, that this Parliament shall have untrammelled power. Section 51 of the Constitution contains the thirty-nine articles which limit the powers of the Parliament. All we need do is to ask the people if they are agreeable to striking out all the words in the section after "The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth." If that is agreed to, the Commonwealth will have supreme legislative power, and it will then be able to carry out a devolution of powers to the States.

Mr. BURCHELL.—Unification!

Mr. FENTON.—No, because then would follow the bringing of the State laws into conformity with the desires of the people. If the people will not agree to the proposal I suggest, they will not agree to anything that emanates from the Convention. I am opposed to any such waste of time and money. If about sixty men with a debatable turn of mind are gathered together to consider so controversial a subject as the amendment of the Constitution, they may take twelve or eighteen months to come to a decision, and all that time the people will be waiting for relief. I have suggested a constitutional short cut; this Parliament ought to be competent to submit the issue direct to the people.

Mr. MARR (Parkes) [6.25].—I have no desire to talk out this motion, but the question is of such great importance that it should not be taken to a division after such a short discussion as we have had to-day. Every honorable member admits that the Constitution needs amendment. Some of the ablest men on both sides of the House have asserted that the Commonwealth has certain powers under the Constitution; others have declared with equal conviction that it does not possess those powers. I do not profess to be an authority on constitutional law, but I think we ought to hesitate before we meddle with a Constitution of which we should be proud, and which I regard, notwithstanding all that has been said to the contrary, as the best in the world. During the election campaign I recommended to the people the referendum proposals, which would have given this Parliament additional powers, and, although the proposals were rejected, I was returned to this House. All parties have admitted the need for the amendment of the Constitution, and all must agree that the proposed Convention should be representative of all interests, and contain the best brains of Australia, so that the issue may be properly put to the people. It is not desirable that the Convention should be composed of only one class. It should not consist mainly of lawyers, who, after all, are in a very small minority in the community.

Sitting suspended from 6.30 to 8 p.m.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

SECOND READING.

Debate resumed from 14th April (*vide* page 1129), on motion by Mr. POYNTON—

That this Bill be now read a second time.

Mr. TUDOR (Yarra) [8.0].—It is to be regretted that this discussion must be resumed before members have the opportunity to peruse the report of the speech made by the Minister yesterday, because that speech contained a great deal of information which we did not already possess, and was not in the speech of the Vice-President of the Executive Council, who introduced the Bill in the Senate. I was looking at the report of Senator Millen's speech while Mr. Poynton was speaking yesterday to see whether the two Ministers covered the same ground, and I found that there was additional matter

in the speech then being delivered. I know that in connexion with Bills the departmental officers are in the habit of providing practically the same material for speeches in both Houses, and I congratulate the Minister upon having broken away from the practice of virtually repeating in one House what has already been said in the other.

I recognise that the Bill is one to be discussed chiefly in Committee, but it contains one or two principles upon which I wish to speak now. I do not know whether any other country is doing as much for the repatriation of its soldiers as we are doing, but, as the Minister said, we have set ourselves an entirely new task. Speaking on the subject on a previous occasion when we had a Repatriation Bill before us, I said that we were doing only bare justice to the men who went overseas to fight, and to the dependants of those who had fought. I do not know what is being done in the other States, but I have visited some of the vocational training branches at the Working Men's College, and, with the honorable members for Wide Bay, Corio, Parkes, Fawkner, and others, I last Monday inspected houses now being erected at Canterbury, Bell, and Coburg by the War Service Homes Commission. It seemed to me that the houses that were being put up at Bell and Coburg were much better built and cheaper than other houses in the vicinity that were being erected by private enterprise, and this notwithstanding the constant cry that a Government can do nothing well. At Bell there was a block of fifty or sixty houses near the station, on the right-hand side, and another block of ten or twelve houses on the left-hand side. Between these blocks are two or three wooden houses which, apparently, are not as well finished, and are costing more than those which are being erected for the soldiers. In my opinion, the War Service Homes Commissioner is doing splendid work, and is getting good value for his expenditure. The Minister quoted last night the *Herald's* report of an interview with me in which I said I thought I could speak for the whole party in expressing agreeable surprise at the manner in which the work is being done.

Mr. RICHARD FOSTER.—In South Australia there are 1,000 houses in hand.

Mr. AUSTIN CHAPMAN.—What has New South Wales done?

Mr. TUDOR.—That is for representatives of that State to say. I heard the honorable member for Parkes (Mr. Marr) ask the Commissioner what is being done in his electorate. Perhaps Parkes, like Yarra, is so thickly populated that there are not likely to be any soldiers' homes erected there. In my opinion, it is better to go a little distance out from town to get good land and better terms. At Carnegie, in the Henty electorate, I am told that a number of war service houses are being erected, and in the middle of them there is to be a little park, which will be a playground for the children. That is an excellent arrangement. But, as I interjected yesterday, it is a mistake to have the ceilings only 9 feet high. I say that without possessing the practical knowledge of a builder, and without being an expert in architecture or ventilation. I believe, too, that experts have declared that with good ventilation 9-foot ceilings are sufficient—that it is better to have 9 feet with adequate ventilation than 12 feet with poor ventilation.

Mr. RICHARD FOSTER.—There should not be poor ventilation in any dwelling.

Mr. TUDOR.—That is so. I hope, however, that in future 10-foot ceilings will be adopted. Bricks and building material are now so costly that every few inches of height added to a building increases its cost appreciably, but still 9 feet seems to me to be too low a ceiling. Then, some of the rooms appeared to be small.

Mr. MAXWELL.—Hear, hear!

Mr. TUDOR.—I know that when a house is finished its rooms look larger than when they are in course of construction, but these houses seem on the small side. It would be a great pity to cramp the accommodation. Probably most of those who will live in the houses are recently married persons.

Mr. MAXWELL.—The houses seemed to be planned for the modern family.

Mr. TUDOR.—Yes, and the modern family will not meet the needs of Australia or of any other country. It would be a great shame if allowance were not made for a fair expansion of the households. I have spoken before on the subject of the birth rate, and the honorable member for Melbourne Ports (Mr. Mathews) immortalized himself by putting into *Hansard* a little poem on the subject, which I shall not repeat, though I recommend honorable members to read

it. If only three rooms are provided in addition to the kitchenette and bathroom, the houses, before many years have gone by, may be too small for married folk. A very small house met my requirements when I was first married, but the case is different now that I have grown-up children of both sexes. Probably it would pay a man better to get a larger house, and be longer in paying for it, than to be cramped in the future.

Mr. BOWDEN.—Extensions are always possible.

Mr. TUDOR.—Apparently the houses do not allow for that. Those who have lived and worked in other countries as I have—and you must live in a country to know its conditions; it is not enough to merely glance at it from the window of a railway carriage—are aware that in Australia it is a much more common practice to add to houses than it is in England or in America.

Mr. RODGERS.—The Act limits us to an expenditure of £700 for land and building.

Mr. TUDOR.—The amount should be increased. I think that £680 was the amount first set down, and that since it has been increased to £700 it has been found possible to make the ceilings 10 feet high. In view of the increase in the cost of labour and material since the Act was passed, £680 is no longer sufficient. Within the last week contractors have told me that a house built now would cost from 30 per cent. to 40 per cent. more than one built two years ago, and, according to evidence given before the Basic Wage Commission in Sydney, the cost of building has gone up very much. I hope that the Commission will not be conservative in its ideas, but will learn by experience. I know that no man more than the honorable member for Fawkner (Mr. Maxwell) deprecates race suicide, and I hope that the House will not provide merely for what the honorable member jocularly called "the modern family." Houses ought to be erected in which a returned soldier may bring up an ordinary family in decency and comfort. I congratulate the War Service Homes Commission on the work they have done, and I have spoken in no hostile spirit, but merely with a view to suggesting what, I think, are some improvements.

This Department, as has been said, has grown. It was started in 1915 with an original Committee, or Commission, made

up of members from both sides of the House, including the Minister in charge of the Bill (Mr. Poynton), the honorable member for Cook (Mr. Catts), the honorable member for Maranoa (Mr. James Page), and certain influential gentlemen from all over Australia. Since that time, it has been under a Controller, and now, by this Bill, it will be placed under a Commission. Already, the newspapers are forecasting the *personnel* and pay of this Commission, although these are not provided for in the Bill. Clause 9 provides that the member of the Commission shall receive such remuneration as the Governor-General may determine; but we are told by the *Age* that it is "fairly certain" that Mr. D. J. Gilbert, the present Controller, will be Chairman, at £1,500 a year.

MR. POYNTON.—I can assure the honorable member that nothing at all has been done in this regard.

MR. TUDOR.—I do not know Mr. Gilbert beyond having met him in connexion with repatriation work; but I hope that a paragraph such as this will in no way prejudice any natural claims that gentleman may have for the position by reason of his experience in the work. The same paragraph goes on to say that Lieutenant-Colonel Semmens and Lieutenant-Colonel Wanliss will be the other members of the Commission, at a salary of £1,000 a year. There is provision made for the Returned Soldiers Imperial League to nominate three for the position, one of whom shall be selected by the Government. I know that Mr. Gilbert is not a returned soldier, but I believe that the other two gentlemen are, and, that being so, they are probably connected with the Association, and may be nominated. I mention this because paragraphs of this kind, as I say, are apt to prejudice the chances of the gentlemen named. Of course, if these gentlemen are selected, we shall have the newspaper declaring that it only confirms the accuracy of the information it gave on the 14th April.

The selection of the firm of architects in connexion with the war service homes has caused a little friction. I do not know the firm in question.

MR. RILEY.—It is the best firm in the Commonwealth.

MR. TUDOR.—I object to any firm, however efficient, having a monopoly of this business, and with that sentiment I think the honorable member for South Sydney (Mr. Riley) will agree.

When war service homes were first proposed, applicants were prevented from turning one of the apartments into a shop. Some of the men were gassed at the Front, and are doing work to-day in which they may break down, as, indeed, some of them have. Such men would like to start business in the way of shop-keeping; and in one case a man, before he left for the Front, had bought a block just outside a prominent sea-side resort, where land is now being sold at £20-10s. a foot. When this man asked permission to erect a shop, he was refused; but I am glad to say that the regulations have been altered, and it is now possible for men to enter upon a business of the kind.

On the question of the insurance of the homes, I should like to read the following letter:—

John & Herwald G. Kirkpatrick,
Architects and Consulting Engineers,
Commonwealth Bank Buildings,
Melbourne.

War Service Homes Department,
Commonwealth Bank,
Old Exchange Buildings, Collins-street.
13th February, 1920.

Messrs. J. W. Jones and Sons,
Contractors,
Mentone-parade, Mentone.

Dear Sir,—

Re War Service Home for F. J. Cusick, at cr. Como-parade and Parker's-road, Mentone.

In your contract for erecting war service homes it is set down in the specification that you are to insure the building as soon as the roof is on, or when any inflammable material is used in the construction therein, for two-thirds of the amount of contract, and when effecting such insurance, it is to be done through the Atlas Assurance Company, of Collins-street, Melbourne. No other company will be permitted to handle this insurance, since it is our intention to safeguard all interests by centralizing this business.

Please arrange to get in touch with the Atlas Assurance Company, from whom you will receive all necessary data.—Yours faithfully,

JOHN & HERWALD G. KIRKPATRICK.

Per ARTHUR R. JAMES,
Superintendent.

In this case the man was having his house built, not by the Commission, but by the Department through the Commonwealth Bank. This is the plan adopted for isolated houses, while group houses are erected by the Commission. Then the

following letter was received by the contractors:—

Lancashire Insurance Company,
Melbourne, 10th March.

Messrs. J. W. Jones & Sons,
Mentone-parade, Mentone.

Dear Sirs,—

Re Insurance "War Service Homes."

No doubt you have received a letter from Messrs. John and Herwald G. Kirkpatrick in reference to the above, pointing out that any insurance effected on behalf of the War Service Homes Department must be placed with the Atlas Assurance Company, of Collins-street, Melbourne, and that no other company will be permitted to handle the insurance.

For your information, we might point out that we have been in touch with the War Service Homes Department in the matter, and we learn from them that the letter in question was written absolutely without their concurrence, and as a consequence agreed to our asking you to entirely ignore same.

We have all along felt sure that a fair share of this business would come to this company through the agency held by you, and in justice to yourself, and incidentally the company, we have taken an early opportunity of apprising you of the above fact.—Yours truly,

JAS. LILLIE,
Resident Secretary.

Sir ROBERT BEST.—Is the Atlas an Australian company?

Mr. TUDOR.—I do not know. I am not advocating the claims of any insurance company, foreign or Australian, but objecting to the business being monopolized by one company. If it is ascertained that any of the insurance companies is doing this sort of thing the Department will be justified in boycotting it, or, at any rate, preventing it obtaining more than a fair share of the business.

Mr. RILEY.—Has not the time arrived for the Commonwealth Government to do its own insurance?

Mr. TUDOR.—I think it has. For instance, I should say that the eight or a dozen houses that I saw at Kooyong, and also the houses at Coburg and Bell, would be a good risk for any insurance company; and if the Commonwealth would do its own insuring it would save the soldiers a considerable amount of money. I hope the Government will give serious consideration to this matter, seeing that we propose to erect thousands of houses throughout the Commonwealth, and the wider the area the better guarantee is supposed to be given to an insurance company.

Mr. POYNTON.—This Bill does not deal with war service homes.

Mr. TUDOR.—I was tempted to deal with that matter, because the Minister (Mr. Poynton) yesterday referred to war service homes, which are part of our repatriation work. I regretted to hear in an interjection by the honorable member for Wannon (Mr. Rodgers), that an undesirable type of house is being built on the land of some of our soldiers in the country.

Mr. RODGERS.—They are jerry-built three-roomed places, in some cases.

Mr. TUDOR.—That is a pity. While it may be difficult for the Department to control these isolated buildings, Parliament should recognise its responsibility, and see that men who go into the country are made at least as comfortable as those who remain in the town; and I say this as a town representative. I understand that many of the men who are undergoing vocational training and applying for homes in the towns are men who were brought up in the country, and that, on the other hand, men used to town life are going into the country.

Mr. GIBSON.—Some men have been working on the land for months and months and have not got a house yet.

Mr. TUDOR.—The honorable member has, no doubt, read of the inquiry held with respect to a sale of land to soldiers at Devon Meadows. It is apparent that the soldiers there have been "taken down."

Mr. BRUCE.—That, of course, was a private sale, and had nothing to do with the Department.

Mr. TUDOR.—That is so; but some of these men require protection against themselves. When this Parliament finds money for the purchase of land, and a State authority is given power to make the purchase, the division of responsibility is likely to let the soldier down.

Mr. POYNTON.—The Department receives more censure in connexion with its activities for the protection of the soldier when buying land or a house than in regard to any other feature.

Mr. TUDOR.—I can quite understand that. The Department may be censured by the men themselves; but when the men and the public realize that the Department is taking action for the men's own protection, the public, at any rate, will not condemn it. There are numbers of men who have gone on the land without previous experience, and they have been defrauded, not only with respect to land

purchased, but in securing cattle, stock, and machinery. The Government may rest assured that no honorable member will censure it if it can be shown that an effort is being made to protect returned soldiers against unscrupulous parties.

Good work has been done by the Repatriation Department, but, as in the case of every other organization, there is bound to be some dissatisfaction. Honorable members receive numerous complaints. Perhaps they get into closer touch with causes of discontent among the men than the Repatriation officials themselves. We receive complaints from men who have been in receipt of sustenance allowance. Returned soldiers have come to me stating that they have found a few days' work during a rush period in the Railway Department. They have lost their sustenance allowance by accepting outside work, which, however, has been of a merely temporary character. The Minister for Repatriation laid it down some time ago that when a man had retained a position for six months, he was considered by the Department to have been effectively repatriated. But it should not be lost sight of that the matter of the length of a man's engagement may depend entirely on the class of work he has undertaken. It may be by no means of a permanent character, or such as to equip him to secure similar work elsewhere. I know of men who, to-day, are waiting for vocational training. There are great difficulties in placing them all under training. It is hard to secure instructors, particularly for some of the smaller lines of industry.

Mr. POYNTON.—In furnishing men with vocational training, the Department is also limited by the numbers whom we may place in any industry by arrangement with the trade unions.

Mr. TUDOR.—I am aware of that; but I am referring to cases in which the agreement with the trade unions does not apply. I know of men who have been waiting for some time to enter into vocational training. I doubt if there is anything worse than that a young man, after his exciting experiences abroad, should receive a sustenance allowance while he is hanging idly about the streets. It would be infinitely better for the Department to notify the approximate date on which the waiting men would be called upon to take up vocational training, and to permit them meanwhile to accept any

sort of work available, and, if necessary, to cut down the amount of sustenance allowance. It is pitiful to see promising young men, many of whom left for the war so early that they received no training for a career, now virtually idling their lives away. In the interests of Australia, as well as of the men themselves, we should put an end to that, if possible. More than one soldier has told me he would gladly take up work outside only that he would be liable to lose his sustenance allowance, and have nothing after his temporary engagement had ended.

Mr. POYNTON.—There is, beside the difficulty of securing instructors, our inability, in some instances, to secure necessary machinery.

Mr. TUDOR.—I am aware of the difficulties facing the Department, and that the question of securing suitable instructors is among the most severe. Speaking generally, the trade unions have worked in harmony with the Department and, in many cases, have appointed their representatives to the committees before the employers have taken action.

Mr. POYNTON.—That is so, but there is the limitation of one in six with respect to placing trained men in various industries.

Mr. BLUNDELL.—And it is a very necessary limitation, too.

Mr. TUDOR.—Of course. It would be a serious thing for the returned men if it were not so. I have visited the vocational training school allied with the boot trade. From that school a good number of men have been drafted into factories, and many to-day are earning the full rates paid to ordinary journeymen.

The Minister for Repatriation stated in another place that there were 1,768 soldiers still abroad. Unfortunately, we are experiencing the same difficulties as at the conclusion of the South African war. A number of our soldiers who went overseas, instead of accepting passage back to Australia, decided to remain, and they secured certain concessions from the Department. They are now anxious to get back home. I hope the Department will do its utmost to bring back every man to Australia who wishes to return.

One other feature of the Bill is that which impliedly provides for the Returned Sailors and Soldiers Imperial League to furnish the names of not less than three persons, one of whom is to be selected for appointment upon the Commission. There

is also provision for the League to furnish a selection of delegates to sit upon the State Boards. This provision should be widened so that the whole of the soldiers in any State, irrespective of whether they belong to the Returned Sailors and Soldiers League or to another organization of returned men, or to no organization at all, should have an equal voice in the selection of returned soldier representatives. If there is a Wages Board to be appointed in Victoria the Minister concerned does not limit the selection of the employees' representatives among the trade unionists of an industry. Every individual engaged in that industry, whether a unionist or not, is served with a ballot-paper. Similarly, provision should be made in the measure for every soldier to have a voice in the selection of his delegates.

It is provided in the Bill that "the Commission may exercise such powers and perform such duties as are conferred upon it by this Act." I do not object to that phraseology, but I do object to what is inferred by the succeeding words, namely, "or are as prescribed." A Government, by regulation, can actually reverse the spirit of an Act. Take the case of the New South Wales Electoral Act, which provided for proportional representation, but in connexion with which the regulations set out that the electors must number every name upon the ballot-paper. Under proportional representation a voter need not mark his preference for every candidate on the ballot-paper, but the New South Wales electoral regulations have defeated the Electoral Act by providing that each voter shall mark a preference for each candidate. The regulations provided under the Australian Soldiers Repatriation Act may also defeat the intention of the Act, and, as honorable members know, the House has no opportunity of considering regulations. The Acts Interpretation Act provides that any regulation made under a Statute must be submitted to Parliament, but regulations come down to us by the dozen, and even if an honorable member gives notice of motion to disallow one or more, he has no opportunity of moving in that direction. Last session several honorable members gave notice of motion to disallow regulations, but had not even the opportunity which the honorable member for Eden-Monaro (Mr.

Austin Chapman) was given this afternoon of having their motions submitted to and discussed by the House.

While it is provided in the Bill that the members of the Repatriation Commission shall receive such remuneration as the Governor-General decides, there is a further provision for a Repatriation Board in each State, and I presume that the Government intend to follow the same principle, and fix the remuneration to be paid to the members of the State Boards.

Mr. POYNTON.—That is not the intention. In some States, we shall get the class of men we require, and merely pay them for the time they spend in doing this work.

Mr. TUDOR.—I can quite easily see that in some of the smaller States there may not be sufficient work to employ men the whole of their time, but I do not think it is a sound principle to introduce. I shall have to look further into the matter, for I do not think the point was raised in another place.

It is provided in clause 11 that "before exercising any power under the Act involving the expenditure of more than £5,000, the Commission shall submit its proposal for, and obtain, the approval of the Minister." Honorable members who have had experience in State Legislatures know that it is often the practice of Ministers, who are restricted by legislation to the expenditure of a fixed amount, to expend right up to the margin they are allowed in one year, and then in the following year extend the work. This has been done in the Victorian Parliament. The Act which compels all railway works estimated to cost more than £20,000 to be referred to the Railways Standing Committee is thus evaded, and as I do not wish to see any such evasion in the administration of the Australian Soldiers Repatriation Act, I would like some further information from the Minister on the point. I am rather inclined to think that the Commission should be limited in its power to spend up to £5,000 without obtaining the sanction of the Minister for Repatriation. I have always objected to Commissioners being superior to Parliament. If these Commissioners are allowed to spend up to £5,000 in one year, and up to £5,000 in another year, they will have practically unlimited power of expenditure, and we may be giving away to them our authority over the public finances.

Mr. Tudor.

Mr. GROOM.—Under section 11(1) certain powers of the Commissioners may be prescribed by regulations.

Mr. TUDOR.—But we may not see those regulations. That is the very provision to which I have just taken exception. I admit that everything cannot be set out in detail in an Act, but everything that it is possible to prescribe in an Act should be included in the Bill brought down for the consideration of honorable members.

Mr. RODGERS.—That is what we should have done in the first Repatriation Bill.

Mr. GROOM.—Yet when we asked certain honorable members to try to do so, they failed. Every one admits that the Act has worked out satisfactorily.

Mr. TUDOR.—But it is quite possible that it may have worked out more satisfactorily if another system had been adopted. We were given a skeleton, and were asked to leave to the Department the task of putting life into it.

Mr. RODGERS.—The Bill created considerable heartburnings.

Mr. TUDOR. — Yes, in the case of many people, and in most of the States, and now we are anxious to remedy some of the defects that have been discovered in the working of the measure. The first Bill was brought forward in the closing hours of the session, and I am glad that the Ministry have brought forward this Bill at such a time that we may have a fair opportunity of discussing and criticising the various principles embodied in it, and, if necessary, of altering them so as to render the measure more effective.

There are other clauses which can be better dealt with in Committee. The three gentlemen who will be permanently employed and the others to be appointed will be outside the Public Service Act. Some honorable members may be of the opinion that if they were brought under the Public Service Act they would be just ordinary public servants, but I sometimes think that it is far better to have officers under the Public Service Act than to have them under a particular Minister with a practically free run of the Department they control.

Sir ROBERT BEST.—These men are not to be permanently appointed. Their term lasts not more than five years.

Mr. TUDOR.—But in such cases they are always re-appointed at the end of their term.

Mr. MARR.—What about the case of Sir George Reid as High Commissioner?

Mr. TUDOR. — The High Commissioner of Australia ought to be a man in touch with Australian feeling and sentiment. Officers who are sent to Great Britain from the Customs Department do not remain abroad for more than eighteen months or two years at the outside. They come back in order to learn Australian conditions. I think that the gentleman who is High Commissioner should not occupy the position permanently but should always be a man who is absolutely in touch with Australian ideas which, as we know, often change. I think that Sir George Reid had his term of office extended for twelve months.

Mr. LISTER.—Without pay. At least, did he not offer to act without pay?

Mr. TUDOR. — Although I was his political opponent all the time I have been in Parliament, I want to say, in justice to the memory of the late Sir George Reid, that he made the offer to serve without pay, but the Government of the day decided that, while he should continue to represent Australia in London, they ought to pay him for the excellent services he was rendering.

Mr. SPEAKER (Hon. W. Elliot Johnson). — The honorable member is getting away from the Bill.

Mr. TUDOR.—The new Commission is to supersede the six gentlemen who are now acting as Commissioners, and who have done excellent work.

Mr. HECTOR LAMOND.—You propose to make it an all-Victorian Commission.

Mr. TUDOR. — I was dealing with that subject when the honorable member was asleep. The honorable member's geographical knowledge appears to be somewhat deficient, but I may inform him that Mr. Gilbert, whose name has been mentioned for the position of Commissioner, is a New South Wales man. I have yet to learn that if a man lives in Victoria for about twelve or eighteen months it constitutes him a Victorian.

The Bill also mentions pensions for the first time. I wonder whether it is the intention of the Government to hand over the administration of the war pensions to the Repatriation Department.

Mr. GROOM.—That is the case.

Mr. TUDOR.—If the Government intend to hand over to the Department of Repatriation the war pensions branch of the Department of the Treasury, I think the day will come when we shall be sorry for making such an alteration. The Department that has had to administer the Invalid and Old-age Pensions Act is the proper one to deal with war pensions. Its staff is in touch with the work and should be best able to administer the war pensions system. It is provided in Clause 22 that—

“Member of the Forces” means a person who during the present war was

(e) enlisted or appointed for service in connexion with naval or military preparations or operations.

I desire to know whether, under that provision, munition workers who were at least engaged in “military preparations,” will be brought within the scope of this measure?

Mr. POYNTON.—This Bill will not make eligible for a war pension any person who is not now eligible.

Mr. TUDOR.—Having introduced deputations to the Minister on the subject, I desired to ascertain whether it was intended to extend the war pensions system to munition workers.

Mr. POYNTON.—With regard to the other point mentioned by the honorable member, I may say at once that it is the intention of the Government to hand over to the Repatriation Department the administration of war pensions. This is in accordance with a request that has been made, time after time, by the soldiers themselves.

Mr. TUDOR.—I am not sure that we shall be acting wisely in making such a transfer. Honorable members on both sides of the House have frequently complained of the duplication of Departments, and I fear that by setting up in the Repatriation Department a war pensions branch, we shall not act in the interests of the soldiers themselves. I trust that in Committee we shall amend several clauses which certainly call for amendment, and that the measure, when it leaves this House, will give to the men who fought for us overseas the measure of repatriation which is so necessary at the present time.

Mr. RODGERS (Wannon) [9.4].—This is the third occasion upon which this Par-

liament has attempted to mould into shape measures providing for the repatriation of our returned soldiers. I followed with interest the speech made by the Minister (Mr. Poynton) in moving the second reading of the Bill, in the course of which he gave us a short history of the initiation and early administration of repatriation in Australia. Some three or four years have elapsed since that system was inaugurated; and the initial difficulties which faced the Minister and his staff should not now be pleaded as an excuse for any shortcomings that may exist in connexion with it. I desire to admit in the freest and most generous terms, that in entering upon their work, the Minister for Repatriation (Senator Millen), the Controller and his staff, had to “blaze the track.” They had nothing to guide them. The Minister had an untrained staff and had to develop a policy with which the soldiers themselves, who had been out of the country for several years, were not in touch. There were thus many difficulties and disadvantages to be overcome. But the business organization of a Department charged as this is, with the expenditure of from £50,000,000 to £100,000,000, must be placed on no slipshod footing, but on a sound commercial basis.

At the outset the Government determined this movement should be upon a voluntary basis; that an appeal should be made to the people of Australia who had enjoyed four of the best years ever showered upon the country, to make some financial sacrifice to help our men who, during those years of plenty, were fighting our battles overseas, and that the money so raised should be supplemented by means of advances from the Treasury. On the return of the Prime Minister (Mr. Hughes), who was in England when the original scheme was launched, that policy was reversed. It was then decided that the entire responsibility for repatriation should be undertaken by the Commonwealth and that the public should be called upon to voluntarily supplement its efforts. I deeply regret that the voluntary movement was not given a fair trial. I recognise that it would not have been sufficient for all the purposes of repatriation, but it undoubtedly was not given a fair chance. The only appeal made to the people was by means of a statement issued under the hand of the

Minister and by the State Premiers. Had a spirited appeal been made in each State we should have had, in response, not the £30,000 raised by public subscription for this purpose, but at least £1,000,000. We have passed that stage, however, and have come, as I said in opening, to the third attempt to mould a scheme of repatriation. This Bill deserves, and should receive, at the hands of honorable members the most critical analyses of not only the machinery to be provided, but the methods of administration proposed, and the limitations which it will place upon the Repatriation Commission when appointed. I regret that the work of repatriation was not at the outset placed in the hands of a Commission. I also deplore the fact that this Parliament did not lay down to a greater extent the guiding lines which they desired the repatriation system to follow. We should not have left it either to the Minister or the Commission to decide who should be competent to receive assistance and who should not. As it is, that is still an open question. It is not determined by this Bill. All previous repatriation measures are repealed by the Bill, and when it comes into operation all regulations determining who shall be the beneficiaries under the scheme will also lapse in so far as this Act itself and the regulations thereunder determine.

Clause 11, sub-clause 2, provides that—

Before exercising any power under this Act which involves the expenditure of more than Five thousand pounds, the Commission shall submit its proposal for, and obtain, the approval of the Minister.

I should like the Minister to give us the official interpretation of that provision. It seems to me that, notwithstanding the appointment of a Commission, the whole question of policy will still largely remain in the hands of the Minister. If, on the other hand, it refers simply to specific transactions—

Sir ROBERT BEST.—It does.

Mr. RODGERS.—It is doubtful. If the honorable member's reading of the sub-clause is correct, then it provides for only an ordinary business precaution, to which no exception can be taken. If, on the other hand, it is designed to limit the authority of the Commission and to prevent it from dealing with a class of beneficiaries which it thinks should be

brought within the scheme, but whose inclusion would involve an expenditure of more than £5,000, I think it is objectionable. I have always stoutly objected to the discrimination which the Act and the regulations permit. I desire to be as generous as possible in my recognition of what I believe to be the Minister's admirable conception of repatriation generally. I recognise that the Minister, and the Government as a whole, desire to give those who fought for this country a fair chance; but I point out that under regulation 60 practically only three classes of cases are entitled to financial assistance. Under it tens of thousands of men have been disappointed. I am not going to say that repatriation is a failure. To do so would be to disregard the good intentions of the Ministry and the hard work of the Minister for Repatriation. But omitting such items as grants of £10 for tools of trade; technical training, and so forth, under regulation 60 financial assistance to enable a start in business to be made again by those who have been to the Front, and many of whom while away have ripened from boyhood into manhood, can not be given in many cases. It can only be given under three different headings. In the first case financial assistance may be given to a widow with children; secondly, to a married man who is incapacitated and unable to follow his former occupation; and thirdly, to a man who, prior to his enlistment, owned a small business, which he gave up, and to which he desires to return. The maximum is £150, but in certain instances the Minister may give assistance up to £250. Scores of genuine cases which Local Committees have investigated and submitted with recommendations to the Minister, are turned down; with the stereotyped reply, of which every honorable member knows, "Not eligible under section 60 of the regulations." I hope that the Commission to be appointed will be trusted to review the whole question of repatriation generously. I hope there will be a great enlargement of the field of beneficiaries. After all, this assistance is not by way of gift; it is only by way of loan repayable with interest. I suggest once more to the Minister—and I earnestly stress this point on the Government—that we should widen the field

of beneficiaries under this Bill, and take repayment from the men, if the Government desire it, in the shape of war gratuity bonds. In this way the Government, without incurring any huge expenditure, would satisfy hundreds of men. In the majority of cases the gratuity will be given in the shape of bonds which will not be redeemed for four years. The soldier's needs are immediate; he cannot get anything for his bonds at once, and the Repatriation Act makes no provision for him. The Commission should consider the two Acts side by side, and widen the scope of assistance to include almost every man who satisfies them that he genuinely requires and deserves it.

Mr. GIBSON.—You would not limit the assistance to restoring men to their pre-war occupations?

Mr. RODGERS.—No. The war has changed the temperament and desires of many men, and they will require a change of vocation. The miner, for instance, may have lost his taste for underground work, and may desire to engage in some other occupation. I earnestly impress this view upon the Minister, and hope that the Commission will not be hamstrung by being unable to consider matters of policy of this description; but that such an interpretation will be placed upon clause 11 that the Commission will not be powerless to make further grants. If that is not done there can be no change from the policy of the past, and the Commission will be a body merely appointed to carry out the regulations as they are to-day.

Mr. GROOM.—The grants will be governed by regulations. Section 7 provides for the general control of administration by the Commission subject to the Minister.

Mr. RODGERS.—We all recognise that when the Prime Minister returned to Australia he was inundated with requests from returned soldiers. He replied that he would break the bonds of red tape and see that their grievances were remedied. Here we have a genuine opportunity of making provision for practically every man. Range up against the wall fifteen soldiers, all of whom have been in the danger zone and have fought the same battle for the same cause. What is the use of having a regulation which provides that we may pick out three of those men as being eligible for assistance, but compels us to tell the other twelve that they

are not eligible under section 60? The present discrimination is far too wide. The Minister may object that my proposal would involve an enormous amount of money. I repeat that this assistance is not a grant, but is in the form of a loan, and the gratuity bonds provide a means of liquidation. We have already made provision that, in so far as there is eligibility for participation in the benefits of the Repatriation Act, war gratuity bonds may be taken in discharge of obligations under the Act.

Mr. WEST.—Only for certain purposes.

Mr. RODGERS.—No.

Mr. POYNTON.—Despite all the limitations in the present Act, more money was lost in connexion with advances for businesses than in any other way.

Mr. RODGERS.—In connexion with the private repatriation scheme in my own electorate, I have had 80 committees working in harmonious co-operation with the Department, and they have had a fairly wide experience of the Act and of its shortcomings. I place no blame upon the Controller and his staff; he is governed by an Act and regulations. The Minister says that more money has been lost in connexion with advances for businesses than in any other way, and I repeat again that the Department will be safeguarded in future by being able to take the gratuity bonds in liquidation of any liability. If necessary, the amount of the advance may be limited to the value of the bonds, and even with that limitation the Department will be able to render immediate and valuable assistance to soldiers who are in pressing circumstances. By reason of the repatriation scheme that I am conducting in my own electorate, I have almost daily opportunities of coming in contact with cases of disappointment and distress. I have committees of earnest and capable men, who have given their time, services, and money, voluntarily and generously, and one of the principal objections they have to the carrying on of this work is that they are able to help, under the Government scheme, so few of the soldiers; the majority are not eligible under section 60.

Sir ROBERT BEST.—There is nothing in this Bill to prevent an amendment to that section.

Mr. RODGERS.—No; but there is every reason why I should impress upon

the House the necessity for such an amendment. I was hoping that the Commission would be endowed with sufficiently wide powers to be able to deal with all these cases. If that is not to be done, I can see no justification for the creation of the Commission. The work of repatriation will be finished in a short time, and if the administration of the War Service Homes is not intrusted to the Commission, what work will there be for it to do? It will become merely a Commission to administer the War Pensions Act. I hope the Government will take advantage of the experience that has been gained up to date, and will give the Commission a genuine opportunity of justifying its creation. If it be merely a Commission to administer regulations which in the past have failed to satisfy the soldiers, its creation will not be justified. Vocational and technical training will be finished in a couple of years, because the period of training usually is limited to six months, and unless national workshops are established—and that is not proposed at present—what will there be for the Commission to administer? I hope that the Commission will have power to review the whole of the work done up to date. Many millions of pounds are to be made available for repatriation work, and the best business ability and brains that the Commission can command should be brought to bear upon the work of restoring the soldiers to civil life.

In regard to vocational training, I know that in the establishment of training shops, the Department, starting from scratch, and without the equipment and plant possessed by private firms, is seriously handicapped. Nor has the Department at its disposal a staff of skilled men, such as private firms have, to teach the young trainees; but vocational training will do more harm than good if it turns out merely half-matured fledglings, men who with only partial training, have to compete with the best artisans of the Commonwealth at the same rate of wages. They will be in a worse position than if they had had no training at all. Make the technical training efficient and complete. I believe that the training shops are doing good work, but only a certain number of men are able to gain admission; others are knocking at the door and

trying to get in. I was hopeful that in this phase of repatriation work the Minister would have enlisted the co-operation of the people who carry on the big industries of this country. Take, for instance, the training of motor mechanics. The Government training shop has only a limited capacity. Young men enter the shop with an idea of getting a thorough grip of the whole motor trade, but they have, at the most, two models to work upon. Contrast these trainees with the young men who are trained in private motor works. The latter enter a great commercial enterprise. There they see many types and varieties of motor cars, and they get a thorough knowledge of repairs, renewals, accessories, and the assembling of parts. I was hopeful that arrangements would be made by the Department with these firms that a proportion of the returned soldiers should be taken into these establishments under a special arrangement, and given a complete course of training in motor mechanical work. Then when a buyer came along and wanted a chauffeur, one of these young fellows, now thoroughly qualified, could be recommended. The young fellow, trained with the limited scope and capacity of the Government training school, and who has worked upon only one model or two, has not had sufficient mechanical work under his notice to prepare and equip him in the same way as the young fellow in the private workshops is trained. Therefore, he has not an equal chance of getting employment subsequently.

Mr. POYNTON.—The trainees go from the training school to private establishments, and gain further knowledge.

Mr. RODGERS.—The Minister knows that under the industrial laws of this country the young man who enters a private workshop must receive the standard wage, but the trainee from the Government establishment has not reached such a state of efficiency as will make him acceptable to a private employer, who is obliged to pay the prescribed wage.

Mr. POYNTON.—The Department makes up the difference.

Mr. RODGERS.—For how long? If a young man started his technical and vocational training in a private workshop, he may get assistance from the Department for six months; but if he elects

to get his training in the Government Training School, the Department will not continue helping him until he becomes a thoroughly efficient workman. There is a course of six months training at the sustenance rate of £2 2s. per week. He is then finished with; he is regarded as repatriated, and is wiped off the books of the Department. He cannot at that stage enter a private workshop, and require the Department to supplement the wage he is able to earn.

Mr. POYNTON.—I say he does. I mentioned yesterday that a large number of men were doing that.

Mr. RODGERS.—Does the Minister say that when a man has been written off the books of the Department as repatriated, he can go to another establishment for further training and continue to receive assistance from the Department?

Mr. POYNTON.—Yes.

Mr. RILEY.—For how long?

Mr. RODGERS.—I hope that when replying the Minister will give us a definite and clear statement on this subject. I bring these matters forward with the desire that within the short space of time still at our disposal repatriation may be handled effectually. Seeing that millions of pounds of public money are being spent, it is our duty to make sure that efficient methods are being adopted. The soldier, after he has finished his training, must compete in the world with those who have been trained in the ordinary ways. It must not be forgotten that many trainees, by reason of war injuries and shocks to the nervous system, may require longer than the ordinary period of training to acquire efficiency, and they should be provided for in some way, either by being given a longer period of tuition in the workshops and schools, or by being employed in Commonwealth or State factories. Some men have, every week or two, to give up what they are doing because of recurring illness, and at the end of six months cannot have profited so much by their training as men who are physically fit. There should be some classification, and special provision made for those who suffer from the drawbacks I refer to.

Mr. POYNTON.—I said last night that 15,405 men are undergoing training in the classes as industrial trainees, or have advanced beyond the training classes, and have passed into factories as partially trained men.

Mr. RODGERS.—On what terms are men passed into the factories as partially trained?

Mr. POYNTON.—The difference between what they earn and their sustenance allowance is made up by the Department.

Mr. RODGERS.—For how long?

Mr. POYNTON.—Who can tell?

Mr. BLUNDELL.—There are Trade Committees who decide when men are efficient.

Mr. RODGERS.—I am aware of the provision for industrial councils, but what is the time that will be given to a young trainee to become an efficient journeyman? The vocational and technical training scheme is such a substantial part of the repatriation scheme that there should be some departmental decision on this point.

Mr. POYNTON.—The earning capacity of the men is assessed by experts. It may vary from time to time.

Mr. RODGERS.—I have no desire to embarrass the Minister with the questions that I am asking, my object being merely that the House and the country, which is finding the money that is being spent, may be certain that efficiency is guaranteed for all men undergoing vocational and technical training.

Mr. POYNTON.—That is provided for. Expert committees determine whether men are efficient.

Mr. RODGERS.—Does the Minister think that these committees can make a rigid examination of every man? They must rely chiefly on the workshop managers or foremen under which the trainees are working. What I wish to know is whether vocational and technical training will make the trainees as efficient as those trained outside, with whom the soldiers will ultimately have to compete.

Mr. FLEMING.—Has the honorable member seen the work that is being done?

Mr. RODGERS.—I have.

Mr. FLEMING.—That is the answer to his question.

Mr. BLUNDELL.—Committees, consisting of employers and employees, look after the trainees when they go into private employment.

Mr. RODGERS.—What I wish to get from the Minister is the assurance that the training provided will give the trainees a fighting chance when they come to compete with other men trained in private workshops.

Mr. POYNTON.—There is no doubt of it.

Mr. RODGERS.—Men who have spoken to me on the question are not so convinced of this. The War Service Homes Department is, in my judgment, one of the most important and powerful wings of the repatriation scheme. The provision of homes for those who have fought for and saved this country is a cardinal principle of the scheme. I congratulate the Government on having undertaken the work, and may be pardoned for saying that I was, I think, the first in the Commonwealth to advocate the provision of soldiers' homes. If there has been delay in building houses, the soldiers have benefited by it to this extent, that they will get better and more up-to-date houses by reason of the preparations that have been made. Material and labour are more costly than they were, but the War Service Homes Department promises to create a great national asset by doing justice to the soldiers in providing them with homes, and by meeting one of the great needs of the country, additional housing. The young soldier who marries and goes into occupation of one of these houses will start on a very good mark compared with the outsider. The houses are being well and faithfully built, and the Government is to be congratulated in regard to them. It is known, of course, that gigantic building operations are in progress all over the world, and this Government will be faced with the problems that are being met with elsewhere arising out of the high cost of material and labour and the scarcity of supplies. Under all the circumstances, the Government has done well. The houses have been well planned, and it is an excellent thing to give returned men the opportunity to help in the building of them. I regret, however, that there has not been closer co-ordination—if I may use the Minister's words—of the efforts of State and Commonwealth in regard to country homes. Under the War Service Homes Act £700 is the sum that may not be exceeded in providing a home for a returned man; but in the country districts of this State only £625 is allowed for a home, stock, implements, and all equipment that may be necessary to put an unimproved farm into order. That, of course, is in addition to the value of the land. In my judgment, the Commonwealth has a liability in respect of the expenditure of the money which is advanced to the States for the settlement of soldiers

on the land, and there should be a co-ordinating officer to act between the Commonwealth and the States in connexion with all advances made for soldier settlement. I know that the War Service Homes Department could not supervise the erection of houses in country districts, but there should be a better understanding between the Commonwealth and State authorities as to the manner in which the money provided must be spent. There should be vastly more than £625 allowed to soldiers settling in the country. The city homes provided for soldiers are cosy and up-to-date, but there is an absence of proper provision and modern conveniences for the wives and children of the soldiers who battle for a living on the land of the country. But when the city home is compared with the rushed-together, flimsy building put up for the soldiers on country land, it is plain that we are not putting the two types of soldiers, with their wives and children, on anything like the same footing, as far as housing accommodation is concerned.

Mr. RICHARD FOSTER.—But the man in the country, in addition to the sum you have named, gets land valued at £2,500.

Mr. RODGERS.—I am not comparing the values of the two propositions, but suggesting that better provision should be made for the home in the country. A man who starts from scratch on part of a subdivided estate, with nothing there at all, is allowed £625 to buy stock and implements, and provide a home, and his conditions are very adverse compared with the conditions of the other soldier. I do not blame this Government, because this is a State activity, but I do suggest that the Minister for Repatriation have a further conference with the States with a view to increasing the advance of £625, so that there may be a greater margin in order to provide comfort in the homes. A man who goes on the land in the country in Victoria is granted land of the total value of £2,500; if he goes on what is called sheep country, the advance rises to £3,500, which, in my judgment, is a very fair and generous provision. But I advocate a more liberal allowance for the purchase of stock and implements, and the establishment of a home, because it is useless

to provide a man with £3,500 worth of land and not give him sufficient to work it properly.

I consider the terms of repayment under the housing scheme very generous, and the conditions reflect the greatest possible credit on the present administration. A long term is allowed, and the method of repayment amounts to no more than a reasonable rent. The cottages we saw to-day, compared with private property, possess an equity of £100 to £150, and this is a splendid investment, on the achievement of which, without causing a boom in land values, I congratulate the Government. The manner in which this phase of the work has been carried out I can refer to with great satisfaction.

Mr. WEST.—The soldiers on the land in New South Wales will never see success if they live sixty years.

Mr. RODGERS.—What about the original settlers of the country who started under conditions one-hundred fold worse than those of the man of to-day? Successful land settlement depends more on the grit and temperament of the man who "takes it on" than on the burdens and difficulties he has to face. No one can say to-day whether land is too high or too low in value, because new systems of cultivation, with methods of irrigation and so forth, so alter values that what seemed dear last year is a bargain to-day.

Another opportunity is now available to the Government to give the Commission a much freer hand than the Commissioners in the past have had. This, I take it, will be an active working Commission, entrusted not merely with the administration of the regulations. If the latter should prove to be their only work, there will be very little satisfaction for the soldiers who have been long asking for their appointment. I trust that the Commission will be given an opportunity to review the whole subject of repatriation in the light of experience gained up to date. The staff is now trained and efficient, and if the repatriation scheme and the gratuity scheme are linked together, the gratuity being made the basis on which new grants can be made under the repatriation scheme, some of the disappointment and bitterness of the past may be followed by

justice to the men who have done so much for us.

Mr. MATHEWS (Melbourne Ports) [9.51].—I am pleased the Government have placed before us a somewhat comprehensive scheme of repatriation. There was need for a comprehensive scheme, but in the one presented there are many defects which will take some time to remove. For instance, the trouble and injustice under regulation 60 are not removed, and one wonders why such hard and fast lines have been drawn. Surely every man who went to fight took the same risk, and yet the Department sets out to differentiate. People ask why a man does not get an opportunity to set up in business in his own line, and we are told that he cannot do this because he was not in that line of business for himself before he went away. In my opinion, that condition is laid down in order to protect the business people of the community—to protect vested interests. I was talking to a member of a Local Committee the other day about a sad case of a man who had come back much impaired in health, and who, feeling that vocational training would not be of use to him, desired to go into a certain line of business. Under this regulation, he was not allowed to do so, because he had not been in the business before he went to the Front; and the Committeeman said that if all who desired to go into business were permitted to do so, there would be no business left for the ordinary business men who had not gone to the Front. If that is the reason for the regulation, it is a selfish one, which ought to receive no support from the Government; and I must say that I have never been able to get any other explanation. However, the regulation is still there, and I do not know how we are to avoid its consequences.

As to vocational training, I was unable to accompany other honorable members to Wirth's Circus, but have seen much of it, amongst other places, at the Working Men's College, Melbourne. At that establishment, there are turned out fairly adept tradesmen, and we are told by the Minister that, after they have received certain instruction, they are to be handed over to private employers, who will train them until they become perfect. That is too much, however, to expect

from private employers, who are in business to earn profits, and not as philanthropists. We must not forget that a great proportion of the men are impaired in health, and that it will take some time to restore them to their normal condition. Then, there is, perhaps, 4 per cent. or 5 per cent. who seem to think they have done all they ought to do, and expect to be kept. I do not make that charge against the general body of soldiers, but we all know there is a small percentage who take that view, and they are not the sort of men that private employers will tolerate. Many of the soldier officials in the Department have not treated their fellow diggers and their dependants as they ought to be treated. However, the Government have an opportunity to deal with this phase of the question in a proper way, if they desire, but I am afraid, again, that they will be prevented by consideration for vested interests. Three years ago, for instance, it was suggested in this House that the Government ought to consider the propriety of manufacturing complete motors in Australia; and it was a good suggestion, because the motor industry here has not yet been "scratched." We are still importing motors wholesale, and the trade is one which will not retrograde, but will extend largely. There are men here who could be taught to build complete motors at the expense of the Government, and the cost would not be more than that which has been incurred in other directions up to the present. We put men into vocational training, and they do not follow up that training because there are no places to exercise it; and if they do get into an establishment, and are discharged for any reason, they are "dropped." The money spent on vocational training, and on affording sustenance of two guineas a week for, in some cases, eighteen months, should have been devoted to training the men in Government establishments; and a great opportunity, as I say, is presented in the motor trade. At the risk of being charged with harping on one string, I again suggest that the Government are afraid to take this step because it would infringe on the vested rights of those already in the industry. This affords no reason for inaction, in any case, because, apparently, private enterprise is not endeavouring to exploit this particular line. In 1908, when the

Tariff was before Parliament, the imposition of a duty on chassis and engines was suggested in order to encourage their manufacture in Australia, but both employers and employees were against the idea. Members of the Labour party were entreated not to place those articles on the duty list on the ground that it would be a long while before we could manufacture engines and chassis here, and that if we were to impose duties upon those parts we would lose the work of bodymaking. I will not believe that Australian skilled labour cannot manufacture motor engines. I will not believe that work of that nature is too intricate for Australians. It is not fair to ask private enterprise to lose money in establishing an industry of this nature, but here is an instance where the Government could have entered the field. If they were to speculate even as much as £1,000,000 the outlay would be well worth while. Let us look also at the wool industry. We do not produce one-twelfth of the woollen materials required in Australia, outside of the manufacture of blankets. The Government might well have said, "We will give men vocational training and take them right through the industry from start to finish. If we lose £3,000,000 in establishing an industry which will furnish Australia with a substantial portion, at any rate, of its woollen material requirements, the money will have been well spent." The Government, however, prefer to go on sinking money in the payment of sustenance allowances, most of which money is lost. I am pleased that something practical is being undertaken at last, even though the motor industry and the manufacture of woollen materials have not been touched. Until we manufacture the greater portion of our home requirements we will never be able to purchase goods at reasonable prices. It may be objected that the Government have no constitutional right to enter upon the manufacture of commodities for general use, but I am certain that no High Court Judge would dare to interpret the Constitution in such a manner as to prohibit the Government from providing vocational training for a large body of returned men in the establishment of the woollen manufacturing industry.

I do not want to set town against country or to seek to make political capital, but the honorable member for Wannon (Mr. Rodgers) has been complaining that

only £650 has been allowed to a man who is establishing himself in the country, for the purchase of necessary stock, machinery, and a home. What about the thousands of men in the cities and towns who can get nothing like £650 to give them a start? Of course, I do not know how much stock a man could get out of the £650, but when to that loan is added the sum of £2,000 for the purchase of land the total constitutes a heavy encumbrance, and as much as any man can stand, especially when he is aware that he has paid the very top price for the land he has chosen. The trouble in placing returned men on the land is that Australia does not gain more farmers thereby. For every new man established it is generally the case that some experienced and long-established farmer retires. That is no good to Australia. The honorable member for Wannon says there has been no boom in connexion with the sale of country land. There have certainly been inflated values for some time. While men in the country have been receiving up to £2,650, there are many others, in the country and in the towns as well, who have secured nothing as yet. Some of the land secured by the Victorian Government under the compulsory purchase system would not carry a cow to fifty acres, yet returned men have been handicapped with blocks of that character. I do not know, therefore, that they are in any better case than others who, although they have had equal claims to assistance, have so far received nothing.

Activities in regard to war service homes have been so far fairly successful. The officials selected by the Government to conduct that branch are able and well-meaning men. They have had to meet many obstacles and have had to fight Trusts as well. Just as certain individual returned men have had the good fortune to secure advantages while others equally entitled have received none, so have individual districts gained advantages while other equally worthy districts have had no help under the war service homes scheme. I point out the peculiar position in which returned soldiers in Port Melbourne find themselves. That district sent as many men to the war in proportion to population as any other part of Australia. Yet there has not been a home built in Port Melbourne under the war service homes scheme. The amount fixed for homes purchase was £700, and

there have been arguments advanced for the extension of that sum. I can only say that if the amount of the loan is increased to £800 a soldier's wages will have to be increased in order to bear the added burden. The amount of £700 is about as much as a returned man working in a factory in my district could shoulder. In Port Melbourne there is a large area of vacant land, stretching from the cricket ground to the Yarra; it is known as Fishermen's Bend. For years the Victorian Government have been taking a nice sum of money, amounting to hundreds of thousands of pounds, by way of payment from sand carters. In connexion with the project to secure some of that land for the building of war service homes, however, the State Government has demanded £1,060 per acre. That price has made it impossible for a Port Melbourne soldier to secure a home under the Act, either for £700 or upon the basis of an increase to £850. Interested local bodies in Port Melbourne have been doing their utmost to secure the opening up of this area for war service homes, and in this connexion I might say that I have found myself in a peculiar position. The local branch of the Returned Soldiers Association are unfortunately a somewhat Conservative body, while the municipal council has a majority of Labour men. Both are desirous of doing their best for the returned soldiers at Port Melbourne, and they have naturally taken the War Service Homes Department to task. I have found myself in the extraordinary position of having to defend this Government, and stand up for the war service homes officials, because I know that the latter have done their best in the circumstances. We have suggested a reduction of frontage in connexion with the building of homes, from a minimum of 40 feet to 33 feet, but even that is not small enough to enable a returned man to secure land in the district. We recently approached the State Minister concerned, and asked the Hon. Donald Mackinnon if it was not possible for the Government to sell the land at £500 per acre for the purpose of erecting war service homes. So far, no reply has been received.

Mr. POYNTON.—Would not the proposed increase overcome the difficulty?

Mr. MATHEWS.—It might just about do so, but even so it would be necessary to reduce the minimum frontage space at

present permitted. The men in Port Melbourne must live close to the factories in which they work. They cannot go a long way away and get cheap land in some less settled neighbourhood. I urge the Federal authorities to communicate with the Victorian Government to see if some arrangements cannot be made to secure areas for the construction of homes in my district. It is not asking too much for the State Government to sell the land at £500 per acre.

Mr. POYNTON.—Is it suitable for the building of homes?

Mr. MATHEWS.—Most of it certainly is.

Mr. TUDOR.—Does not the Harbor Trust require the land for a new dock some fifty years hence?

Mr. MATHEWS.—That may be so. About 150 acres could be obtained to-day at the lowest rate offering, namely, £900 per acre; but in respect to that portion certain filling would require to be carried out. I am tired of having to defend the Federal Government and the War Service Homes Department, and it is hard for me to persuade the interested bodies in my electorate that the Federal authorities are not to blame. My charge is against the State Government for asking so much for their land. I hope that Senator Millen will approach the Hon. Donald Mackinnon, the Assistant State Minister, so that the returned soldiers of Port Melbourne may have the opportunity of securing homes for themselves.

The insurance regulation is a disgrace to any civilized community. Why a monopoly is given to one company I do not understand. I realize that if an extreme risk is taken the company can dispose of it by re-insuring somewhere else, as is usually done, but those who take the initial risk make the most money. At any rate, I do not think one insurance company should be given the opportunity of doing all the work, and emphatically I say that in any case, even if one is selected to do it, it should be an Australian company.

I have no word to say against the fitness of the firm of architects appointed by the Commonwealth Bank to supervise the construction of isolated homes, but in my opinion the percentage allowed is too high, seeing that so much work is standardized, and that the plans must be used over and over again. There ought

to be some investigation into this matter. It is the soldier who is called upon to pay. Of course, I admit that one isolated house cannot be built as cheaply as one of a group of a dozen or fifty, and that a fair percentage must be allowed in a comprehensive system of building isolated houses.

Mr. POYNTON.—The Commonwealth Bank is building no more houses. The work has been taken from it.

Mr. MATHEWS. — I did not know that such was the case, and I am pleased to hear it. I compliment the Minister and the officials in charge of war service homes for the good work they have done.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 to 6 agreed to.

Progress reported.

PAPER.

The following paper was presented:—

Papua Act—Infirm and Destitute Natives—Statement of the Transactions of the Trustees, 1918-19.

ADJOURNMENT.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [10.22].—I move—

That the House do now adjourn.

I will be glad if honorable members will make an endeavour to pass the Australian Soldiers Repatriation Bill through the Committee stage to-morrow.

Mr. TUDOR (Yarra) [10.23].—I was surprised, as also was the Minister, when the second reading of the Australian Soldiers Repatriation Bill went through so easily, because I know that several honorable members had intended to speak. I presume that now they will take the opportunity of doing so in the Committee stage, but I can assure the Minister for the Navy that there will be no obstruction to the Bill, which we are all anxious to make as good a measure as possible for the benefit of the soldiers. Honorable members will avail themselves of the opportunity to give full consideration to the most important clauses in Committee, but I think the Minister can have that stage of the Bill completed to-morrow.

Question resolved in the affirmative.

House adjourned at 10.25 p.m.

Members of the House of Representatives.

Speaker—The Honorable William Elliot Johnson.

Chairman of Committees—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Johnson, Hon. William Lang (N.S.W.)
* Atkinson, Llewelyn ..	Wilmot (T.)	Elliot
Bamford, Hon. Frederick Herbert (Q.)		Jowett, Edmund ..
William		Kerby, Edwin Thomas Ballarat (V.)
Bayley, James Garfield ..	Oxley (Q.)	John
Bell, George John ..	Darwin (T.)	Lamond, Hector ..
Best, Hon. Sir Robert Kooyong (V.)		Lavelle, Thomas James ..
Wallace, K.C.M.G.		Lazzarini, Hubert Peter ..
Blakeley, Arthur ..	Darling (N.S.W.)	Lister, John Henry ..
Blundell, Reginald Pole ..	Adelaide (S.A.)	Livingston, John ..
Bowden, Eric Kendall ..	Nepean (N.S.W.)	Mackay, George Hugh ..
Brennan, Frank ..	Batman (V.)	Mahon, Hon. Hugh ..
Bruce, Stanley Melbourne	Flinders (V.)	Mahony, William George ..
Burchell, Reginald John ..	Fremantle (W.A.)	Makin, Norman John Hindmarsh (S.A.)
Catts, James Howard ..	Cook (N.S.W.)	Oswald
Cameron, Donald Charles	Brisbane (Q.)	Maloney, William ..
Chanter, Hon. John Moore	Riverina (N.S.W.)	Marks, Walter Moffitt ..
Chapman, Hon. Austin ..	Eden-Monaro	Marr, Charles William Parkes (N.S.W.)
	(N.S.W.)	Clanan
* Charlton, Matthew ..	Hunter (N.S.W.)	Mathews, James ..
* Considine, Michael Patrick	Barrier (N.S.W.)	Maxwell, George Arnot ..
Cook, Right Hon. Sir Parramatta		* McDonald, Hon. Charles ..
Joseph, P.C., G.C.M.G.	(N.S.W.)	McWilliams, William James Franklin (T.)
Cook, Robert ..	Indi (V.)	Moloney, Parker John ..
Corser, Edward Bernard	Wide Bay (Q.)	Nicholls, Samuel Robert ..
Cresset		Page, Earle Christmas Cowper (N.S.W.)
Cunningham, Lucien Gwydir (N.S.W.)		Grafton
Lawrence		Page, Hon. James ..
Fenton, James Edward ..	Maribyrnong (V.)	Poynton, Hon. Alexander
* Fleming, William Mont. Robertson (N.S.W.)		Prowse, John Henry ..
gomerie		Riley, Edward ..
Foster, Hon. Richard Wakefield (S.A.)		
Witty		Rodgers, Arthur Stanis. Wannon (V.)
* Fowler, Hon. James Perth (W.A.)		laus
Mackinnon		Ryan, Hon. Thomas West Sydney,
Francis, Frederick Henry ..	Henty (V.)	Joseph (N.S.W.)
Gabb, Joel Moses ..	Angas (S.A.)	Ryrie, Sir Granville de North Sydney
Gibson, William Gerrard	Corangamite (V.)	Laune, K.C.M.G., C.B., (N.S.W.)
Greene, Hon. Walter Richmond (N.S.W.)		V.D.
Massy		Smith, Hon. William Denison (T.)
Gregory, Hon. Henry ..	Dampier (W.A.)	Henry Laird ..
Groom, Hon. Littleton Darling Downs (Q.)		Stewart, Percy Gerald ..
Ernest		Story, William Harrison ..
Hay, Alexander ..	New England	Tudor, Hon. Frank Gwynne
	(N.S.W.)	* Watkins, Hon. David ..
Higgs, Hon. William Guy	Capricornia (Q.)	Watt, Right Hon. William Balaclava (V.)
Hill, William Caldwell ..	Echuca (V.)	Alexander, P.C.
Hughes, Right Hon. Bendigo (V.)		West, John Edward ..
William Morris, P.C.,		
K.C.		Wienholt, Arnold ..
Jackson, David Sydney ..	Bass (T.)	Wise, Hon. George Henry Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees 4th March, 1920.—4. Made affirmation 5th March, 1920.

HEADS OF DEPARTMENTS.

Senate.—C. G. Duffy, C.M.G.

House of Representatives.—W. A. Gale.

Parliamentary Reporting Staff.—B. H. Friend.

Library.—A. Wadsworth.

Joint House Committee.—G. H. Monahan.



3 0112 115348549

The weekly issues of Parliamentary Debates are supplied gratuitously, on application, for use in Public Libraries, and also in Schools of Arts, Mechanics' Institutes, Debating Societies (having not less than fifty members), and similar institutions.

Applications on behalf of the above-mentioned institutions should be addressed to the Honorable the President or the Honorable the Speaker.

Subscriptions should be sent to the Government Printer, Melbourne.

B. HARRY FRIEND,
Principal Parliamentary Reporter.

COMMITTEES.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Barnes, Senator Keating, Senator Lynch, Senator Maughan, Senator O'Keefe, Senator Pratten, and Senator Senior.

STANDING ORDERS.—The President, the Chairman of Committees, Senator Barnes, Senator de Largie, Senator Foll, Senator Guthrie, Senator McDougall, Senator O'Keefe, and Senator Earle.

LIBRARY.—The President, Senator Bolton, Senator Gardiner, Senator Keating, Senator Lynch, Senator Maughan, and Senator Pratten.

HOUSE.—The President, Senator Bakhap, Senator Buzacott, Senator Guy, Senator O'Loghlin, Senator Needham, and Senator Rowell.

PRINTING.—Senator Barker, Senator Grant, Senator Guy, Senator Newland, Senator Plain, Senator Reid, and Senator Senior

HOUSE OF REPRESENTATIVES.

STANDING ORDERS.—Mr. Speaker, the Prime Minister, the Chairman of Committees, Mr. Atkinson, Mr. Charlton, Mr. Fowler, and Mr. Tudor.

LIBRARY.—Mr. Speaker, Mr. Anstey, Mr. Fleming, Mr. Fowler, Mr. Higgs, Mr. Lamond, Mr. Mackay, Mr. Maxwell, Dr. Maloney*, and Mr. McDonald.

HOUSE.—Mr. Speaker, Mr. R. W. Foster, Mr. Gregory, Mr. Livingston, Mr. Mathews, Mr. James Page, Mr. Rodgers, and Mr. Watkins.

PRINTING.—Mr. Bamford, Mr. Bowden, Mr. Corser, Mr. Fenton, Mr. McWilliams, Mr. Riley, and Mr. West.

SEA CARRIAGE: SELECT COMMITTEE.—Mr. Atkinson, Mr. Burchell, Mr. Corser, Mr. Foster, Mr. Mahony, Mr. McWilliams, and Mr. Watkins.

* Appointed 30th March, 1920.